United Nations ST/IC/2004/4

Secretariat

12 January 2004

Information circular*

To: Members of the staff

From: The Under-Secretary-General for Human Resources

Subject: **Conflict resolution in the United Nations Secretariat**

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I. Introduction

1. The purpose of the present information circular is to inform staff of the means available to them to address and resolve conflict situations that may arise in the workplace. Conflict can be defined as any opposition or difference of wishes, needs, statements, arguments, actions or principles between two or more staff members, or between staff members and the Organization. Conflict is a natural yet also manageable phenomenon that can occur in any organization and that can and should be handled professionally and in good faith. The United Nations is dedicated to achieving a productive working environment for everyone by creating a fair and equitable workplace where the rights of staff members are honoured and where channels are available to address their concerns.

II. Prevention, communication and training

2. The avenues of recourse described in this circular are, by their nature, reactive: they are designed to address conflicts that have already arisen. Ideally, however, any contentious issue should be resolved at an early stage by the staff members and managers involved, without the need to resort to recourse procedures to clarify or enforce rights and obligations. In the first place, therefore, emphasis should be placed on prevention.

3. Prevention of conflict is closely connected to the conduct of, and working relationships between, staff members. In this regard, the Organization places the highest expectations on its staff. The standards of conduct adopted by the International Civil Service Commission in 2001[1] provide a discussion of these expected standards to help staff understand their role as international civil servants. Pursuant to these standards of conduct, staff members must respect all persons equally, without any distinction whatsoever, in order to foster a climate and working environment sensitive to the needs of all. In the context of working relations, managers and supervisors bear particular responsibility for ensuring a harmonious workplace based on mutual respect by, among other things, being open to all views and opinions, providing support to their staff and communicating effectively with them.

4. While each potential conflict has its unique circumstances, conflict may result from a lack of supervisory and managerial skills, a lack of communication or a lack of understanding of rights and obligations. Proper training can therefore assist all staff members in preventing and solving conflicts in the workplace. The Specialist Services Division of the Office of Human Resources Management offers programmes to develop the ability of staff members to work effectively in a multicultural environment by building essential skills in communication, problem-solving, collaborative negotiation, teamwork and mediation. Staff members, especially managers, are strongly encouraged to follow at least one course. Staff should consult the *Staff Development Guide* (published annually) or the Intranet site of the Office of Human Resources Management[2] for more details.

[1] See annex V to the Secretary-General's Bulletin on the status, basic rights and duties of United Nations staff members (ST/SGB/2002/13).

[2] Located at Intranet un.org/ohrm/training/sdptoc.htm.

5. For a better understanding of their rights and obligations, staff can access the electronic *Human Resources Handbook*,[3] which provides an online collection of regulations, rules, administrative issuances and guidelines relating to human resources issues. Staff wishing to research in more detail or simply be informed about legal issues pertaining to their rights and duties can access the electronic *Case and Jurisprudence Digest of United Nations Administrative Tribunal Judgements*.[4] The Panel of Counsel web site (http://www.un.org/staff/panelofcounsel) also has general information on the appeals and disciplinary processes.

III. Informal resolution

6. Staff members who are involved in conflict situations are encouraged first to seek an informal solution. They may find informal means to be preferable in that they may yield results more quickly than formal ones, or may even lead to a positive negotiated outcome that could, for various reasons, not be achieved through a formal process.

7. Staff members may attempt to solve any problems related to their employment with the United Nations, including relations with colleagues and supervisors, through the informal means listed below. In general, the scope of issues that staff members may attempt to solve through informal means is wider than that which can be addressed through formal methods, which are rights-based and, by definition, may not be able to fully address the concerns underlying the conflict.

8. Recourse to an informal method does not preclude staff from also following the formal recourse methods if attempts to reach an informal solution fail. Staff members should inform themselves of the requirements of the appropriate recourse method, since the initiation of proceedings through formal mechanisms generally involves a time limit, which must be observed. If an informal process is pending, this may be grounds for an extension of the time limit. Conversely, recourse to a formal method does not preclude staff from pursuing a resolution or settlement through informal means while formal proceedings move forward.

A. Supervisors/Human Resources Officers/Executive Officers

9. Supervisors, Human Resources or Personnel Officers as well as Executive Officers can assist staff in resolving conflicts, including by referring them to other staff members who have been trained in mediation, or may undertake such mediation themselves at the request of the parties to the conflict. They can also advise staff members on career development issues and on their rights and obligations.[5]

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[4] Located at http://157.150.196.9/unat/unat_home_refmat.htm, or follow the links under "Reference Material" on the Headquarters Intranet home page.

[5] Attention is also drawn to the Career Resource Centre, located at United Nations Headquarters in room S-2560A, which offers a wide range of career-development services and products.

B. The Ombudsman

10. The Office of the Ombudsman was established in October 2002. Its terms of reference are set out in the Secretary-General's bulletin ST/SGB/2002/12. The ways in which staff can bring matters to the attention of the Ombudsman are described on the Ombudsman's web site.[6]

11. The Ombudsman has the authority to consider conflicts of any nature related to employment by the United Nations that are brought to his or her attention by staff members. The term "conflict" is to be understood in its broadest sense, and the Ombudsman's authority therefore covers, inter alia, matters pertaining to conditions of employment, administration of benefits, managerial practices as well as professional and staff-related matters.

12. The Ombudsman does not have decision-making powers in a conflict, but facilitates conflict resolution, using any appropriate means, including advising the parties and making suggestions or recommendations on actions to settle conflicts. The Ombudsman may also advise staff on other options for conflict resolution, as necessary. He or she may further request an extension of the normal time limit for filing an appeal within the framework of staff rule 111.2.

C. Panels on Discrimination and Other Grievances

13. In its resolution 57/307 of 15 April 2003, the General Assembly requested the Secretary-General, in consultation with the Ombudsman and staff representatives, to submit detailed proposals on the role and work of the Panel on Discrimination and Other Grievances for the consideration of the General Assembly at its fifty-eighth session. Until there is a formal change in mandate, the panels will continue their work under ST/AI/308/Rev.1.

D. Staff Counsellors

14. Staff Counsellors are available at a number of duty stations. Their core functions include providing counselling, information and assistance to staff on issues that may have an impact on their welfare and productivity, such as stress management and conflict resolution. The assistance that can be provided by Staff Counsellors in conflict resolution may range from a simple referral to other offices and general information on options that are available to staff, to sustained efforts in assisting to mediate in a conflict. In particular, Staff Counsellors may provide advice and consultation to staff members in harassment cases as part of efforts to find an informal solution. Action is taken only with the consent of the staff member. For more information and links to official documents, see the Intranet site of the Staff Counsellor's office in New York.[7]

[6] Located at www.un.org/ombudsman.

[7] Located at Intranet.un.org/Counselling.

E. Panel of Counsel

15. The Panel of Counsel is composed of a group of serving and retired staff members who have volunteered to represent their colleagues in various stages of appeals and in disciplinary and other claims. Their work is supported and administered by the Office of the Coordinator, Department of Management, at United Nations Headquarters in New York and by the respective Coordinators at a number of other duty stations. The web site address is http://www.un.org/staff/panelofcounsel.

16. While the Panel of Counsel provides counsel in formal recourse mechanisms, the Coordinator may also be approached for preliminary consultations before initiating the formal appeals process. Seeking the advice of counsel or of the Coordinator of the Panel of Counsel early on may avoid unnecessary litigation and may support an informal resolution at an early stage. The home page of the Panel of Counsel at Headquarters[8] describes the activities of the Panel and provides contact information for staff seeking assistance. It also describes the appeals and disciplinary process in general, with further links to information resources.

F. Departmental focal points for women

Focal Point for Women in the Secretariat (Office of the Special Adviser on Gender Issues and Advancement of Women)

17. The functions of the departmental focal points for women include providing counsel and advice to women on issues affecting their career development or conditions of service, bringing their concerns to the attention of the head of department/office, staff of the Office of Human Resources Management or the local personnel office or Executive Office and staff of the Office of the Special Adviser on Gender Issues and Advancement of Women. The focal points also meet with managers and staff to discuss the full participation of women and men in the work of the department or office. Departmental focal points may also be contacted for advice on informal and formal methods of resolving situations involving harassment. For further information on departmental focal points for women, see ST/SGB/1999/19 of 20 December 1999. Staff members may also contact the Office of the Focal Point for Women in the Office of the Special Adviser directly.

G. Staff representative bodies

18. Staff regulation 8.1 provides for the establishment of staff representative bodies to maintain continuous contact and communication between the Secretary-General and staff at large in order to ensure the effective participation of staff in identifying, examining and resolving issues relating to staff welfare, including conditions of work, general conditions of life and other personnel policies. Staff representative bodies are established at United Nations Headquarters in New York, at the United Nations Offices in Geneva, Vienna and Nairobi and at the headquarters of the regional commissions (Addis Ababa, Bangkok, Beirut and Santiago). International staff serving at missions are represented by the Field Staff Union, which is currently located in Jerusalem. Staff representative bodies may also be

[8] Located at Intranet.un.org/poc/deptpoc.htm.

established at other duty stations, each of which may affiliate with an existing staff representative body.

19. Staff may bring individual cases to the attention of members of the Staff Committee or staff representatives in their office, who can advise on and assist in addressing issues informally or formally. This also applies to cases involving harassment.

H. Members of Joint Appeals Board as facilitators of conciliation[9]

20. Conciliation, like mediation, is a consensual, non-adversarial dispute resolution process. Pursuant to staff rule 111.2 (b), conciliation can be initiated by any party to a dispute in cases where a request for review of a contested administrative decision has already been submitted (see under formal procedures below), but before a panel of the Joint Appeals Board has been established to hear the appeal (see staff rule 111.2 (b) and section III.B of the Rules of Procedure and Guidelines of the Joint Appeals Board at Headquarters). In such cases, a chairperson will provide assistance to reach a conciliatory conclusion of the conflict between the staff member and the official who took the contested decision. If the parties reach an agreement, and if the Secretary-General accepts the result, the case is concluded.

IV. General appeals process

21. The formal appeals process set out in staff regulations 11.1 and 11.2 and staff rules 111.1 and 111.2 is "rights-based". It provides an avenue for any staff member who feels that an administrative decision has been made that has violated the staff member's rights under his or her terms of appointment. In general, this avenue is not suitable for addressing an unsatisfactory situation that is not directly related to a specific administrative decision. To address the latter it is advisable to resort to the informal avenues described in the present circular, if necessary with the assistance of the Ombudsman.

A. Administrative review

22. Once a staff member has identified the appeals avenue as an appropriate means for pursuing the desired result, the first step would be to request an administrative review by writing a letter addressed to the Secretary-General, identifying the contested administrative decision and setting out why, in the view of the staff member, it was wrong. In the interest of speedy resolution, it is advisable to clearly identify the issues and to focus on how the contested decision constituted a violation of the staff member's terms of employment. It is not required that staff members refer to the specific rules at issue, although doing so, where possible, helps to focus the issues. The review stage is a final opportunity for the official who took the contested decision, or the supervisory officials concerned, to review and, as appropriate, rescind or change it. If the official who took the contested decision or the supervisory officials concerned wish to maintain the contested decision, they are requested to explain their decision in writing. These comments are the basis of the

[9] See paragraphs 20 to 24 for the role of the Joint Appeals Board in the formal appeals process.

administration's reply at the review stage, as well as at the appeals stage, should the appeal go forward. The review stage affords the staff member as well as the administration an opportunity to review the issue collaboratively, with a view to resolving the matter at this stage.

B. Appeal to the Joint Appeals Board[10]

23. Should a collaborative resolution or settlement between a staff member and the administration not be possible at the review stage, or should the staff member not receive a response from the Administration within the specified time period, the staff member may file an appeal with the appropriate Joint Appeals Board, either in New York, Geneva, Nairobi or Vienna (see staff rule 111.2 (a) (ii) and (d)). The Administration files the "respondent's reply", again based on the comments provided by the official who took the contested decision or the supervisory officials concerned. The Secretary of the respective Joint Appeals Board convenes a joint panel of three staff members who consider the case and make a recommendation to the Secretary-General. The panel, at its discretion, may invite the official who took the contested decision to explain it at a hearing. The Secretary-General takes the final decision on the appeal in the light of the report of the Joint Appeals Board. As a matter of practice, unanimous recommendations are normally accepted, unless there is a compelling reason of law or policy not to do so. In such a case, those reasons are explained in the decision of the Secretary-General.

C. Application to the United Nations Administrative Tribunal

24. The staff member may appeal the decision of the Secretary-General on the report of the Joint Appeals Board to the United Nations Administrative Tribunal. The Tribunal's judgement on the case is final.[11]

D. Suspension of action

25. Neither a request for administrative review nor the filing of an appeal with the Joint Appeals Board has the effect of suspending action on a contested decision. Under staff rule 111.2 (c), however, the staff member concerned may request a suspension of action of such a decision by writing to the Secretary of the Joint Appeals Board. The Presiding Officer of the Joint Appeals Board will examine the request to ascertain whether the decision in question has not already been implemented and whether it is, in fact, the subject of the appeal. If the request meets these conditions, a Panel will be constituted to consider whether implementation of the decision would directly and irreparably injure the staff member's rights. The underlying appeal against the contested decision will not be considered on its merits

[10] Further information on the Joint Appeals Board in New York and the appeals process, including time limits, a time line and requests for suspension of action, can be found at the web site of the Joint Appeals Board at Headquarters: http://www.un.org/jab.

[11] The statute and the Rules of Procedure of the Tribunal can be found in the *Human Resources Handbook*, and through the Intranet site of the Panel of Counsel (http://www.un.org/staff/panelofcounsel). Judgements of the Administrative Tribunal can be researched through the Official Documents System or through the digest of the United Nations Administrative Tribunal jurisprudence, mentioned above.

during such deliberations. The Secretary-General's decision on the recommendation of the Joint Appeals Board with regard to the suspension of action is not subject to appeal.

E. Assistance of counsel

26. Staff may avail themselves of the assistance of counsel when initiating formal appeals procedures. The Coordinator of the Panel of Counsel will assist in identifying counsel if a staff member so wishes (see paras. 15 and 16 above).

V. Specialized avenues of recourse

27. The following procedures are designed to provide specific recourse in narrowly defined situations.

A. Decisions of organs of the United Nations Joint Staff Pension Fund

28. Section K of the administrative rules of the United Nations Joint Staff Pension Fund (JSPB/G.4/Rev.16 of 1 January 2002, annex I) sets out the method of review and appeal against decisions of various organs of the Pension Fund. A Pension Fund participant or qualifying survivor may initiate a review by stating the points of fact or law that are disputed in respect of the challenged decision. Additional information is available at the web site of the Fund http://www.unjspf.org.

B. Competitive examinations for recruitment to the Professional category of staff members from other categories

29. Section 4.5 of administrative instruction ST/AI/2003/7 provides that staff members who have cause to believe that they have been unfairly excluded from participating in competitive examinations may appeal to the Central Examination Board for review. The Board also reviews complaints from staff members with respect to the procedures and arrangements for the examinations, pursuant to section 8.3 of the administrative instruction.

C. Service-incurred death, injury or illness

30. Pursuant to staff rule 106.4, staff are entitled to compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Compensation under this rule is governed by appendix D to the Staff Rules. Staff rule 206.5 contains a similar provision for project personnel. For staff under the 300 series of the Staff Rules, the Secretary-General decides in each case whether to apply the provisions of appendix D or to offer comparable compensation (see staff rule 306.4). Pursuant to article 17 of appendix D, reconsideration of the Secretary-General's determination of the existence of an injury or illness attributable to the performance of official duties, or of the type and degree of disability, may be requested from the Secretary-General.

D. Loss of or damage to personal effects

31. Claims of compensation for loss of or damage to personal effects attributable to the performance of official duties are to be submitted to the Claims Board, established under administrative instruction ST/AI/149/Rev.4. Appeals against administrative decisions taken in respect of such claims can be made through the general appeals procedure outlined above.

E. Medical decisions relating to sick leave

32. Staff rule 106.2 governs the granting of sick leave to staff members who are unable to perform their duties by reasons of illness or injury or whose attendance at work is prevented by public health requirements. Further provisions are contained in administrative instruction ST/AI/1999/12.

33. Where sick leave in excess of the limits established by staff rule 106.2 and the provisions of ST/AI/1999/12 is refused, or where the unused portion of sick leave is withdrawn because the Secretary-General is satisfied that the staff member is able to return to duty, and the staff member disputes that decision, the matter can be referred, at the staff member's request, to an independent practitioner acceptable to both the Medical Director and the staff member, or to a medical board.

F. Classification of posts

34. The classification of posts is governed by administrative instruction ST/AI/1998/9 and Corr.1, which sets out the grounds and procedures for appealing classification decisions, and the terms of reference of Classification Appeals Committees.

35. A staff member who encumbered a post at the time of its classification may appeal the decision on the classification on the ground that the classification standards were incorrectly applied, resulting in a classification at the wrong level. Appeals that are based on new functions that were not the subject of the contested decision are not receivable, nor are appeals that are based exclusively on comparison with other posts without reference as to why the classification decision, on its own merits, would be incorrect. Further recourse against the final decision resulting from the review process outlined in section 6 of ST/AI/1998/9 can be submitted to the Administrative Tribunal.[12]

G. Performance management and appraisal

36. The Performance Appraisal System (PAS) is based upon International Civil Service Commission performance management principles for the United Nations common system, namely work planning, ongoing feedback, a midpoint review and an end-of-cycle appraisal against agreed-upon objectives. The system was designed to improve overall organizational performance by encouraging a high level of

[12] The Administrative Tribunal does not, however, substitute its judgement on the substance of the classification for that of the Secretary-General, and will only examine whether the classification process was vitiated by prejudice, procedural irregularities or other extraneous factors.

involvement and motivation and increased staff participation in the planning and delivery of work by establishing performance expectations in advance, based on mutual understanding between the staff member and first reporting officer on what is to be accomplished during the yearly April-March performance cycle. The PAS links individual work plans with those of the work unit and department or office and sets performance standards using the United Nations competencies, which provide a shared language about what is needed and expected in the Organization. The system promotes communication and continuous feedback between staff members and first reporting officers on the work programme, which forms the basis on which individual performance will be appraised at the end of the yearly cycle. If the staff member disagrees with the rating at the end of the performance cycle, he/she has the option of rebutting the rating.

37. The procedure for rebutting performance ratings is set out in administrative instruction ST/AI/1999/14 (as amended by ST/AI/2001/10) for performance periods up to 1 April 2002, and in administrative instruction ST/AI/2002/3 for performance period following 1 April 2003. For the performance period from 1 April 2002 to 31 March 2003, departments and offices will have elected which of the two administrative instructions govern the performance appraisal system.

38. The performance rating resulting from the rebuttal process is binding on the head of department or office and on the staff member concerned, subject to the ultimate authority of the Secretary-General, who may review the matter as needed on the basis of the record. The rating resulting from an appraisal that has not been rebutted, or from the rebuttal process, is not subject to further appeal.[13]

H. Recourse against disciplinary measures

39. In cases of summary dismissal imposed without prior submission to a Joint Disciplinary Committee, the staff member may, pursuant to staff rule 110.4 (c), request that the summary dismissal be reviewed by such a Committee.[14] Appeals in respect of disciplinary measures considered by a Joint Disciplinary Committee, including summary dismissals after review by such a Committee, may be submitted directly to the Administrative Tribunal.

I. Avenues to deal with harassment

40. Administrative instruction ST/AI/379 defines sexual harassment and sets out informal and formal procedures. The current system is under review, including an extension of special complaint procedures to all cases of harassment. Currently, cases of harassment that are not sexual in nature are addressed in the same way as all other disciplinary cases under ST/AI/371.

[13] The Joint Appeals Board (on the basis of staff rule 111.2 (k)) and the Administrative Tribunal are precluded from considering the substantive question of efficiency of the staff member, meaning that they cannot pass judgement on whether a particular rating was justified or not. They may only assess whether a contested administrative decision which was taken on grounds of inefficiency or relative inefficiency of a staff member was motivated by prejudice or some other extraneous factor.

[14] This request does not have the effect of suspending the measure.

United Nations ST/IC/2004/4*

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12. The Ombudsman does not have decision-making powers in a conflict, but facilitates conflict resolution, using any appropriate means, including advising the parties and making suggestions or recommendations on actions to settle conflicts. The Ombudsman may also advise staff on other options for conflict resolution, as necessary. He or she may further request an extension of the normal time limit for filing an appeal within the framework of staff rule 111.2.

C. Panels on Discrimination and Other Grievances

13. In its resolution 57/307 of 15 April 2003, the General Assembly requested the Secretary-General, in consultation with the Ombudsman and staff representatives, to submit detailed proposals on the role and work of the Panel on Discrimination and Other Grievances for the consideration of the General Assembly at its fifty-eighth session. Until there is a formal change in mandate, the panels will continue their work under ST/AI/308/Rev.1.

D. Staff Counsellors

14. Staff Counsellors are available at a number of duty stations. Their core functions include providing counselling, information and assistance to staff on issues that may have an impact on their welfare and productivity, such as stress management and conflict resolution. The assistance that can be provided by Staff Counsellors in conflict resolution may range from a simple referral to other offices and general information on options that are available to staff, to sustained efforts in assisting to mediate in a conflict. In particular, Staff Counsellors may provide advice and consultation to staff members in harassment cases as part of efforts to find an informal solution. Action is taken only with the consent of the staff member. For more information and links to official documents, see the Intranet site of the Staff Counsellor's office in New York.[7]

[6] Located at www.un.org/ombudsman.

[7] Located at Intranet.un.org/Counselling.

E. Panel of Counsel

15. The Panel of Counsel is composed of a group of serving and retired staff members who have volunteered to represent their colleagues in various stages of appeals and in disciplinary and other claims. Their work is supported and administered by the Office of the Coordinator, Department of Management, at United Nations Headquarters in New York and by the respective Coordinators at a number of other duty stations. The web site address is http://www.un.org/staff/panelofcounsel.

16. While the Panel of Counsel provides counsel in formal recourse mechanisms, the Coordinator may also be approached for preliminary consultations before initiating the formal appeals process. Seeking the advice of counsel or of the Coordinator of the Panel of Counsel early on may avoid unnecessary litigation and may support an informal resolution at an early stage. The home page of the Panel of Counsel at Headquarters[8] describes the activities of the Panel and provides contact information for staff seeking assistance. It also describes the appeals and disciplinary process in general, with further links to information resources.

F. Departmental focal points for women

Focal Point for Women in the Secretariat (Office of the Special Adviser on Gender Issues and Advancement of Women)

17. The functions of the departmental focal points for women include providing counsel and advice to women on issues affecting their career development or conditions of service, bringing their concerns to the attention of the head of department/office, staff of the Office of Human Resources Management or the local personnel office or Executive Office and staff of the Office of the Special Adviser on Gender Issues and Advancement of Women. The focal points also meet with managers and staff to discuss the full participation of women and men in the work of the department or office. Departmental focal points may also be contacted for advice on informal and formal methods of resolving situations involving harassment. For further information on departmental focal points for women, see ST/SGB/1999/19 of 20 December 1999. Staff members may also contact the Office of the Focal Point for Women in the Office of the Special Adviser directly.

G. Staff representative bodies

18. Staff regulation 8.1 provides for the establishment of staff representative bodies to maintain continuous contact and communication between the Secretary-General and staff at large in order to ensure the effective participation of staff in identifying, examining and resolving issues relating to staff welfare, including conditions of work, general conditions of life and other personnel policies. Staff representative bodies are established at United Nations Headquarters in New York, at the United Nations Offices in Geneva, Vienna and Nairobi and at the headquarters of the regional commissions (Addis Ababa, Bangkok, Beirut and Santiago). International staff serving at missions are represented by the Field Staff Union, which is currently located in Jerusalem. Staff representative bodies may also be

[8] Located at Intranet.un.org/poc/deptpoc.htm.

established at other duty stations, each of which may affiliate with an existing staff representative body.

19. Staff may bring individual cases to the attention of members of the Staff Committee or staff representatives in their office, who can advise on and assist in addressing issues informally or formally. This also applies to cases involving harassment.

H. Members of Joint Appeals Board as facilitators of conciliation[9]

20. Conciliation, like mediation, is a consensual, non-adversarial dispute resolution process. Pursuant to staff rule 111.2 (b), conciliation can be initiated by any party to a dispute in cases where a request for review of a contested administrative decision has already been submitted (see under formal procedures below), but before a panel of the Joint Appeals Board has been established to hear the appeal (see staff rule 111.2 (b) and section III.B of the Rules of Procedure and Guidelines of the Joint Appeals Board at Headquarters). In such cases, a chairperson will provide assistance to reach a conciliatory conclusion of the conflict between the staff member and the official who took the contested decision. If the parties reach an agreement, and if the Secretary-General accepts the result, the case is concluded.

IV. General appeals process

21. The formal appeals process set out in staff regulations 11.1 and 11.2 and staff rules 111.1 and 111.2 is "rights-based". It provides an avenue for any staff member who feels that an administrative decision has been made that has violated the staff member's rights under his or her terms of appointment. In general, this avenue is not suitable for addressing an unsatisfactory situation that is not directly related to a specific administrative decision. To address the latter it is advisable to resort to the informal avenues described in the present circular, if necessary with the assistance of the Ombudsman.

A. Administrative review

22. Once a staff member has identified the appeals avenue as an appropriate means for pursuing the desired result, the first step would be to request an administrative review by writing a letter addressed to the Secretary-General, identifying the contested administrative decision and setting out why, in the view of the staff member, it was wrong. In the interest of speedy resolution, it is advisable to clearly identify the issues and to focus on how the contested decision constituted a violation of the staff member's terms of employment. It is not required that staff members refer to the specific rules at issue, although doing so, where possible, helps to focus the issues. The review stage is a final opportunity for the official who took the contested decision, or the supervisory officials concerned, to review and, as appropriate, rescind or change it. If the official who took the contested decision or the supervisory officials concerned wish to maintain the contested decision, they are requested to explain their decision in writing. These comments are the basis of the

[9] See paragraphs 20 to 24 for the role of the Joint Appeals Board in the formal appeals process.

administration's reply at the review stage, as well as at the appeals stage, should the appeal go forward. The review stage affords the staff member as well as the administration an opportunity to review the issue collaboratively, with a view to resolving the matter at this stage.

B. Appeal to the Joint Appeals Board[10]

23. Should a collaborative resolution or settlement between a staff member and the administration not be possible at the review stage, or should the staff member not receive a response from the Administration within the specified time period, the staff member may file an appeal with the appropriate Joint Appeals Board, either in New York, Geneva, Nairobi or Vienna (see staff rule 111.2 (a) (ii) and (d)). The Administration files the "respondent's reply", again based on the comments provided by the official who took the contested decision or the supervisory officials concerned. The Secretary of the respective Joint Appeals Board convenes a joint panel of three staff members who consider the case and make a recommendation to the Secretary-General. The panel, at its discretion, may invite the official who took the contested decision to explain it at a hearing. The Secretary-General takes the final decision on the appeal in the light of the report of the Joint Appeals Board. As a matter of practice, unanimous recommendations are normally accepted, unless there is a compelling reason of law or policy not to do so. In such a case, those reasons are explained in the decision of the Secretary-General.

C. Application to the United Nations Administrative Tribunal

24. The staff member may appeal the decision of the Secretary-General on the report of the Joint Appeals Board to the United Nations Administrative Tribunal. The Tribunal's judgement on the case is final.[11]

D. Suspension of action

25. Neither a request for administrative review nor the filing of an appeal with the Joint Appeals Board has the effect of suspending action on a contested decision. Under staff rule 111.2 (c), however, the staff member concerned may request a suspension of action of such a decision by writing to the Secretary of the Joint Appeals Board. The Presiding Officer of the Joint Appeals Board will examine the request to ascertain whether the decision in question has not already been implemented and whether it is, in fact, the subject of the appeal. If the request meets these conditions, a Panel will be constituted to consider whether implementation of the decision would directly and irreparably injure the staff member's rights. The underlying appeal against the contested decision will not be considered on its merits

[10] Further information on the Joint Appeals Board in New York and the appeals process, including time limits, a time line and requests for suspension of action, can be found at the web site of the Joint Appeals Board at Headquarters: http://www.un.org/jab.

[11] The statute and the Rules of Procedure of the Tribunal can be found in the *Human Resources Handbook*, and through the Intranet site of the Panel of Counsel (http://www.un.org/staff/panelofcounsel). Judgements of the Administrative Tribunal can be researched through the Official Documents System or through the digest of the United Nations Administrative Tribunal jurisprudence, mentioned above.

during such deliberations. The Secretary-General's decision on the recommendation of the Joint Appeals Board with regard to the suspension of action is not subject to appeal.

E. Assistance of counsel

26. Staff may avail themselves of the assistance of counsel when initiating formal appeals procedures. The Coordinator of the Panel of Counsel will assist in identifying counsel if a staff member so wishes (see paras. 15 and 16 above).

V. Specialized avenues of recourse

27. The following procedures are designed to provide specific recourse in narrowly defined situations.

A. Decisions of organs of the United Nations Joint Staff Pension Fund

28. Section K of the administrative rules of the United Nations Joint Staff Pension Fund (JSPB/G.4/Rev.16 of 1 January 2002, annex I) sets out the method of review and appeal against decisions of various organs of the Pension Fund. A Pension Fund participant or qualifying survivor may initiate a review by stating the points of fact or law that are disputed in respect of the challenged decision. Additional information is available at the web site of the Fund http://www.unjspf.org.

B. Competitive examinations for recruitment to the Professional category of staff members from other categories

29. Section 4.5 of administrative instruction ST/AI/2003/7 provides that staff members who have cause to believe that they have been unfairly excluded from participating in competitive examinations may appeal to the Central Examination Board for review. The Board also reviews complaints from staff members with respect to the procedures and arrangements for the examinations, pursuant to section 8.3 of the administrative instruction.

C. Service-incurred death, injury or illness

30. Pursuant to staff rule 106.4, staff are entitled to compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Compensation under this rule is governed by appendix D to the Staff Rules. Staff rule 206.5 contains a similar provision for project personnel. For staff under the 300 series of the Staff Rules, the Secretary-General decides in each case whether to apply the provisions of appendix D or to offer comparable compensation (see staff rule 306.4). Pursuant to article 17 of appendix D, reconsideration of the Secretary-General's determination of the existence of an injury or illness attributable to the performance of official duties, or of the type and degree of disability, may be requested from the Secretary-General.

D. Loss of or damage to personal effects

31. Claims of compensation for loss of or damage to personal effects attributable to the performance of official duties are to be submitted to the Claims Board, established under administrative instruction ST/AI/149/Rev.4. Appeals against administrative decisions taken in respect of such claims can be made through the general appeals procedure outlined above.

E. Medical decisions relating to sick leave

32. Staff rule 106.2 governs the granting of sick leave to staff members who are unable to perform their duties by reasons of illness or injury or whose attendance at work is prevented by public health requirements. Further provisions are contained in administrative instruction ST/AI/1999/12.

33. Where sick leave in excess of the limits established by staff rule 106.2 and the provisions of ST/AI/1999/12 is refused, or where the unused portion of sick leave is withdrawn because the Secretary-General is satisfied that the staff member is able to return to duty, and the staff member disputes that decision, the matter can be referred, at the staff member's request, to an independent practitioner acceptable to both the Medical Director and the staff member, or to a medical board.

F. Classification of posts

34. The classification of posts is governed by administrative instruction ST/AI/1998/9 and Corr.1, which sets out the grounds and procedures for appealing classification decisions, and the terms of reference of Classification Appeals Committees.

35. A staff member who encumbered a post at the time of its classification may appeal the decision on the classification on the ground that the classification standards were incorrectly applied, resulting in a classification at the wrong level. Appeals that are based on new functions that were not the subject of the contested decision are not receivable, nor are appeals that are based exclusively on comparison with other posts without reference as to why the classification decision, on its own merits, would be incorrect. Further recourse against the final decision resulting from the review process outlined in section 6 of ST/AI/1998/9 can be submitted to the Administrative Tribunal.[12]

G. Performance management and appraisal

36. The Performance Appraisal System (PAS) is based upon International Civil Service Commission performance management principles for the United Nations common system, namely work planning, ongoing feedback, a midpoint review and an end-of-cycle appraisal against agreed-upon objectives. The system was designed to improve overall organizational performance by encouraging a high level of

[12] The Administrative Tribunal does not, however, substitute its judgement on the substance of the classification for that of the Secretary-General, and will only examine whether the classification process was vitiated by prejudice, procedural irregularities or other extraneous factors.

involvement and motivation and increased staff participation in the planning and delivery of work by establishing performance expectations in advance, based on mutual understanding between the staff member and first reporting officer on what is to be accomplished during the yearly April-March performance cycle. The PAS links individual work plans with those of the work unit and department or office and sets performance standards using the United Nations competencies, which provide a shared language about what is needed and expected in the Organization. The system promotes communication and continuous feedback between staff members and first reporting officers on the work programme, which forms the basis on which individual performance will be appraised at the end of the yearly cycle. If the staff member disagrees with the rating at the end of the performance cycle, he/she has the option of rebutting the rating.

37. The procedure for rebutting performance ratings is set out in administrative instruction ST/AI/1999/14 (as amended by ST/AI/2001/10) for performance periods up to 1 April 2002, and in administrative instruction ST/AI/2002/3 for performance periods following 1 April 2003. For the performance period from 1 April 2002 to 31 March 2003, departments and offices will have elected which of the two administrative instructions govern the performance appraisal system.

38. The performance rating resulting from the rebuttal process is binding on the head of department or office and on the staff member concerned, subject to the ultimate authority of the Secretary-General, who may review the matter as needed on the basis of the record. The rating resulting from an appraisal that has not been rebutted, or from the rebuttal process, is not subject to further appeal.[13]

H. Recourse against disciplinary measures

39. In cases of summary dismissal imposed without prior submission to a Joint Disciplinary Committee, the staff member may, pursuant to staff rule 110.4 (c), request that the summary dismissal be reviewed by such a Committee.[14] Appeals in respect of disciplinary measures considered by a Joint Disciplinary Committee, including summary dismissals after review by such a Committee, may be submitted directly to the Administrative Tribunal.

I. Avenues to deal with harassment

40. Administrative instruction ST/AI/379 defines sexual harassment and sets out informal and formal procedures. The current system is under review, including an extension of special complaint procedures to all cases of harassment. Currently, cases of harassment that are not sexual in nature are addressed in the same way as all other disciplinary cases under ST/AI/371.

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[13] The Joint Appeals Board (on the basis of staff rule 111.2 (k)) and the Administrative Tribunal are precluded from considering the substantive question of efficiency of the staff member, meaning that they cannot pass judgement on whether a particular rating was justified or not. They may only assess whether a contested administrative decision which was taken on grounds of inefficiency or relative inefficiency of a staff member was motivated by prejudice or some other extraneous factor.

[14] This request does not have the effect of suspending the measure.

United Nations ST/IC/2004/5

Secretariat

13 January 2004

English only

Information circular*

To: Staff members who are liable to pay income taxes to United States tax authorities on United Nations salaries and emoluments

From: The Controller

Subject: **Payment of 2003 income taxes**

Deadlines for submission of requests for reimbursement of 2003 taxes

Staff serving in the United States: 1 March 2004

Staff serving elsewhere: 1 April 2004

Please Note: Copies of tax returns must be received by the Payroll Section by the above dates. If you mail your returns to the United Nations, please allow adequate time for delivery. Alternatively, mail them via special courier (e.g., DHL, FedEx, UPS) to the Payroll Section at the address indicated below.

Inquiries

Payroll Section, Room FF-300
304 East 45th Street, NY 10017
Telephone: (212) 963-2949
Fax: (212) 963-1544
Lotus Notes Mail: Tax Unit
Internet: tax@un.org
Intranet: http://intranet/Accounts/tax

In person or by phone:

1 to 15 April 2004: 9 a.m. to 5 p.m.

At all other times: 1 p.m. to 5 p.m.

* Expiration date of the present circular: 31 December 2005.

04-20657 (E) 190104

Note

The present circular contains important information about the reimbursement of income taxes by the United Nations. Read it carefully and be sure that anybody who assists you in the preparation of your tax returns reads it also. You will be required to certify as to the accuracy of certain statements made in your request for reimbursement and to give consent to the Organization to obtain certain verifications directly from the Internal Revenue Service (IRS). This is explained fully in paragraphs 5 to 9 below. Please note in particular paragraph 8, which defines your responsibility for informing the Organization of any change in your tax liability or filing of amended tax returns for any reason.

Tax advice and tax forms. Staff members who need detailed tax advice and/or tax forms should refer to paragraphs 23 to 25 for further information and a listing of addresses, telephone numbers and Internet sites for IRS and state tax help services.

Staff members of dual nationality. A staff member's registered nationality and/or resident status with the United Nations determines his or her eligibility for reimbursement of income taxes. Staff members who are nationals and permanent residents of the United States of America must register as such to be eligible for reimbursement of United States income taxes on United Nations earnings.

Signing the waiver. According to the United States Immigration and Nationality Act of 1952, staff members who are or who become permanent residents of the United States must sign the Waiver of Rights, Privileges, Exemptions and Immunities within 10 days of receiving notification of admission for permanent residence or effective date of employment with the United Nations.

Minimizing of tax. You are required to make maximum use of all adjustments to income, deductions and exemptions available to you and to certify to this effect (see paras. 12-15).

2003 advance payment of child tax credit. Advance payment of child tax credit issued by the IRS during 2003 may need to be taken into account when calculating staff members' United Nations federal income tax reimbursements. For further details, please refer to paragraph 28.

Cheques made payable to tax authorities. Cheques for reimbursement of taxes or for tax advances will normally be made payable to a tax authority. They must be transmitted to the appropriate tax authorities or returned to the Payroll Section. These cheques made payable to tax authorities must *never*, under any circumstances, be deposited into a personal account.

Staff members due large refunds from tax authorities. Large refunds may at times be due from the tax authorities because of overpayment of tax advances by the United Nations. Please refer to paragraphs 47 to 49 for an explanation as to how any excess reimbursements for 2003 will be handled.

Taxpaying staff members stationed outside the United States. Those assigned to a United Nations office or mission outside the United States during 2002 or 2003 or 2004 should give particular attention to the information contained in paragraphs 66 to 88.

New source for income tax information. Income tax information specific to the needs of United States taxpayers working for the United Nations is available

through the Intranet to personnel stationed in New York at http://intranet/Accounts/tax. Personnel at Headquarters with access to the United Nations Intranet site are encouraged to explore this alternative.

Acknowledgement of receipt of revised and/or amended returns. Staff members who file revised and/or amended returns with the tax authorities must submit copies to the Tax Unit. They will receive an acknowledgement of receipt of such revised and/or amended returns within one month. If staff members do not receive such acknowledgement within the prescribed time, they should contact the Tax Unit.

Most frequently asked questions on income taxes. Answers to the most frequently asked questions on income taxes in the United Nations are included as an annex to the present circular. Please note, however, that the information in the annex is not exhaustive and therefore should not be used in lieu of this information circular.

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Annex

The most frequently asked questions on income taxes in the United Nations 37

Introduction

1. A staff member who is a United States citizen or a permanent resident ("green card" holder) who has signed the Waiver of Rights, Privileges, Exemptions and Immunities (the Waiver) is subject to income taxation by the United States on his or her earnings from the United Nations (see ST/AI/1998/1 dated 28 January 1998). The main criterion of determination by the United Nations of entitlement to reimbursement of income taxes is the staff member's registered nationality and/or resident status with the United Nations, in compliance with staff rule 104.8 (a), which provides that "in the application of Staff Regulations and Staff Rules, the United Nations shall not recognize more than one nationality for each staff member". According to the United States Immigration and Nationality Act of 1952, the Waiver should be signed within 10 days of receiving notification of admission for permanent residence or joining the Organization. It is the staff member's **personal responsibility** to ascertain and meet his or her legal obligations, if any, arising under United States federal, state and municipal income tax laws.

2. A staff member who is liable for such taxes for 2003 and/or 2004 and who wishes to claim reimbursement from the United Nations may apply for reimbursement of such taxes in accordance with the procedures set out in the present circular.

I. United Nations policies on income tax reimbursement

A. Rationale for reimbursement of taxes levied on United Nations income

3. Most Member States, by acceding to section 18 (b) of the Convention on the Privileges and Immunities of the United Nations, have exempted United Nations staff members from national taxation of their official emoluments. A few Member States have not done so and staff members from those Member States may thus be required to pay taxes on their United Nations income. In the interest of equity, the General Assembly established a system to reimburse income taxes to those United Nations staff members who are required to pay taxes in respect of salaries or other emoluments they receive from the United Nations.

4. The purpose of the reimbursement system is to place United Nations staff members subject to taxation in the position they would have if their official emoluments were not taxed. Hence, it is intended neither to provide a benefit, nor to place the staff member at a disadvantage, in relation to other United Nations staff members who are not required to pay taxes to a Member State on their United Nations emoluments. United Nations staff regulation 3.3 (f) (i) stipulates that in no case shall the reimbursement by the United Nations exceed the final income taxes actually paid and payable in respect of a staff member's United Nations income.

B. Requirements for applications for reimbursement or for advances to pay estimated taxes

5. Staff members must submit to the Payroll Section, room FF-300, the following:

(a) For reimbursement of 2003 federal, state or municipal taxes:

(i) A request for settlement of income taxes (United Nations form F.65 plus form F.65/A, if applicable);

(ii) A consent for the IRS to disclose certain tax return information to the United Nations (United Nations form F.243);

(iii) True, complete and signed copies of the relevant income tax returns and supporting information for the tax year for which reimbursement is requested.

For reimbursement of taxes for states other than New York, New Jersey, Connecticut, Washington, D.C., Maryland and Virginia, or for municipal authorities other than New York City or Yonkers, the tax rates and relevant instructions issued by the tax authority must be attached to the application.

(b) For advances to pay 2004 estimated taxes:

A request for settlement of income taxes (United Nations form F.65 plus form F.65/A, if applicable).

6. **Incomplete applications, that is, forms that are not fully completed, signed and dated, and, in the case of requests for reimbursement of income taxes, that are not complete, signed copy/copies of income tax return(s), will not be processed and will be returned to the staff member with a notice of correction. The Organization will not accept any responsibility for delays in processing any incomplete application for reimbursement of income taxes.**

7. All applicable spaces on form F.65 must be filled in completely. The Payroll Section relies on current information, such as home address, office location and telephone extension, in order to facilitate communication with staff members. A staff member's home address on form F.65 should be the same as the home address indicated on the 2003 IRS form 1040 filed, unless it is certain that the staff member is more easily reached at another mailing address.

8. In signing form F.65, staff members certify and undertake very specific obligations as a condition of receiving reimbursements or advances. Staff members authorize the United Nations to make federal and state tax advance deposits on their behalf. Staff members certify that copies of tax returns submitted are identical to the returns filed with the tax authorities. Staff members agree specifically, inter alia, to notify the United Nations within 30 days of: (a) any amended returns filed with the tax authorities subsequent to the copies submitted to the United Nations; and (b) any change in the staff member's tax liability, whether that change takes place before or after the return is filed, whether or not that change pertains to the staff member's United Nations income, and whether or not a joint return is filed. Because changes in income from non-United Nations sources or changes in deductions are likely to affect the amount of the United Nations reimbursement, *any* kind of change in tax liability must be reported to the United Nations. Failure to adhere to these obligations may result in: (a) suspension of issuance of further tax reimbursements;

(b) recovery of amounts already advanced and/or paid; and (c) possible disciplinary action.

9. In completing and signing form F.243, a staff member consents to authorize the IRS to disclose certain tax information to the United Nations for verifying actual income taxes paid to the United States. This consent may be revoked within 75 days of signature. However, if consent is revoked, the staff member must immediately repay to the United Nations the entire amount of any tax reimbursements and advances for all the tax years to which the revocation applies. If repayment of any tax reimbursements and advances is not made promptly, these amounts may be deducted, pursuant to staff rule 103.18, from future payments by the Organization of salaries and other emoluments including separation entitlements, and disciplinary action may also be taken as appropriate. Normally the completion of one form F.243 at the time of application for reimbursement will be sufficient for the whole year. However, staff members may be required to complete and sign another form F.243 at any time during the year if the original F.243 is not acceptable by the IRS.

10. Form F.243 must be filed with no changes or alterations except as specified in the directions at the bottom of the form, and must be submitted with an original signature. Faxed copies of completed form F.243 are not acceptable because they do not have an original signature. The use of "white-out" or any subsequent corrections to form F.243 are not permitted. Form F.243 must be completed in ink and is not acceptable in pencil. Any changes to form F.243 will result in delays in the processing of claims. Please adhere to the standard *American* dating convention of **month/day/year** and not the normal United Nations date format when completing form F.243. Reimbursement requests with a form F.243 in which the dating is ambiguous will be returned. If you are filing a joint return, your spouse's Social Security number must be on form F.243, whether your spouse is a staff member or not.

11. In cases where a staff member has filed a claim for reimbursement of income taxes that must be returned by the Payroll Section because of an error or some other deficiency, the staff member will receive a notice of correction. If the staff member fails to respond to the notice of correction in a timely manner, there may be substantial delays in processing the reimbursement request, for which the United Nations will not accept any responsibility.

C. Obligation to minimize tax liability

12. In order to minimize the burden on the Tax Equalization Fund, of which the Secretary-General is the trustee, and on voluntary funds from which tax reimbursements may be made, a staff member claiming reimbursement is required to make maximum use of all adjustments to income, deductions and exemptions in order to minimize his or her tax liability. In claiming a reimbursement from the United Nations, a staff member, inter alia, certifies and agrees on the Request for Settlement of Income Taxes (form F.65) that he or she will minimize his or her taxes. Only those deductions that can be subtracted from employment income may be applied against United Nations taxable earnings.

13. For married staff members, the filing of joint tax returns in most cases results in a lower tax liability both for the staff member and for the United Nations. Staff members who receive a dependency allowance from the United Nations for their

spouse *must* file jointly. If (a) tax return(s) with filing status other than married filing jointly is/are submitted by a staff member in receipt of dependency allowance for a spouse, the final reimbursement of income taxes will be calculated using the greater of the standard deduction for married filing jointly for the tax year in question or the actual amount of the itemized deduction claimed. The married-filing-jointly tax rate will be used to calculate the taxes due. Filing of joint federal returns by citizens and resident aliens with spouses who are non-resident aliens is permitted. New York State income tax laws require that taxpayers who file joint federal returns must, with very few exceptions, file joint New York State returns.

14. Staff members are required to itemize deductions if these would exceed the standard deductions allowable. Staff members should refer to the specific instructions issued by the tax authorities for items of deductions allowed. If a staff member does not itemize deductions and it is determined by the United Nations that itemizing deductions would result in a lower tax, the tax returns will be returned to the staff member as **incomplete**, and he or she will be required to resubmit the returns with an itemized deduction schedule.

15. Staff members who have received United Nations dependency allowances for their relatives residing in the United States are required to claim the appropriate exemptions for the dependants, or provide an acceptable written explanation as to the reason for not doing so. Staff members who received dependency allowances for secondary dependants must claim the exemptions or provide an acceptable written explanation as to the reason for not doing so.

D. Issuance of tax cheques by the United Nations

16. Cheques issued as the final settlement or advances for federal or state or municipal income tax liabilities attributable to United Nations earnings are made payable to the income tax authority. The staff member must forward any such cheques immediately to the appropriate tax authority. Cheques payable to a tax authority must **never**, under any circumstances, be deposited into a personal account.

17. **Failure to forward cheques made payable to the tax authorities promptly to the appropriate tax authorities may result in the suspension of the issuance of future tax cheques. Depositing a cheque made payable to a tax authority into a personal account may result in the suspension of the issuance of future tax cheques, recovery of amounts already advanced and/or paid, and possible disciplinary action.**

18. An exception to the United Nations procedure of issuing cheques payable to the tax authorities will be made only if the staff member provides proof that full payment of income taxes has already been made at the time the claim is submitted. Proof of payment means copies of both sides of cancelled cheques made payable to the tax authorities or certified transcripts of taxpayer accounts. When a staff member provides such proof of prior payment at the time of submission of his or her claim, a cheque payable to the staff member will be issued. Any claims for reimbursement of income taxes that request a cheque made payable to the staff member but do not provide acceptable proof of payment will not be honoured.

19. The tax authorities require each taxpayer to enter his or her Social Security number on each cheque so that the tax authority can credit the cheque to the proper account. Staff members should verify that the Social Security number printed on the face of each tax cheque is correct. Married staff members should always write their own Social Security number on any cheque issued by the United Nations and not the Social Security number of their spouse. Staff members are urged to keep a record of the number of each tax cheque received from the United Nations. Copies of cancelled cheques can be obtained by providing the United Nations with the actual **cheque numbers** together with an acceptable justification for the request.

20. Tax cheques are generally issued approximately two weeks before the estimated tax payment and annual tax filing due dates. Staff members who expect to be on official travel or leave on the date that tax cheques are expected to be issued should make prior arrangements with their executive officers, so that they can send their cheques to the appropriate tax authorities before the due date. It is not possible for the Payroll Section to accommodate requests for early issuance of cheques.

E. Limitation on retroactivity of claims for reimbursement of taxes

21. The reimbursement of income taxes shall be deemed to be claimable by staff members on the last date on which their return for a particular year must be filed with the tax authority, without any extension of time for filing other than the automatic extension for staff serving abroad. In accordance with staff rule 103.15, no claims for reimbursement of taxes will be entertained beyond one year after that date, unless the United Nations accepts that there are extenuating circumstances. In such cases, a staff member may request that the time limit in staff rule 103.15 be waived, and support such a request with a written explanation for the delay. Staff members will be required to submit sufficient documentary proof of the actual tax returns filed with the respective tax authorities.

F. Policy regarding interest and penalties imposed by tax authorities

22. As the responsibility for filing complete, correct and timely tax returns and estimated tax payments with any amounts due is that of the individual taxpayer, the United Nations will not reimburse staff members for interest or penalties imposed by tax authorities on their United Nations earnings. There are three exceptions to this rule. The United Nations may reimburse late-payment and/or underpayment interest and penalty charges which arise from: (a) delays or incorrect written instructions or incorrect earnings data which are acknowledged by the United Nations as being the responsibility of the Organization; (b) extensions for staff members serving the United Nations outside the United States; or (c) underpayment of tax advances by the United Nations under the provisions of paragraph 54 (c), (d) and (e) below. The United Nations will not pay any late filing penalties under any circumstances.

G. Income tax assistance, inquiries and forms

23. Neither the United Nations nor the United Nations Joint Staff Pension Fund can (a) provide advice or assistance to staff members on tax matters other than in relation to the treatment of United Nations earnings, and (b) communicate directly with tax authorities on a staff member's behalf. Under the provisions of staff regulation 1.6, staff members are not permitted to provide assistance in income tax matters to other staff members for remuneration without the prior approval of the Secretary-General. Should advice on non-United Nations-related aspects of income tax returns be needed, staff members should consult the appropriate income tax authorities or tax preparation services. Staff members may wish to obtain a free copy of publication 17, entitled "Your Federal Income Tax (For Individuals)", which is issued annually by the IRS. Staff members serving outside the United States may wish to obtain a free copy of IRS publication 54, entitled "Tax Guide for U.S. Citizens and Resident Aliens Abroad". Specific information on all general tax matters may be obtained by calling the telephone numbers or accessing the Internet sites listed below:

Internal Revenue Service	800-829-1040 http://www.irs.gov/
New York State Department of Taxation and Finance	800-225-5829 http://www.nystax.gov
State of New Jersey, Department of the Treasury, Division of Taxation	800-323-4400 or 609-292-6400 http://www.state.nj.us/treasury/taxation/
State of Connecticut, Department of Revenue Services	800-382-9463 or 860-297-5962 http://www.ct.gov/DRS

New York, New Jersey and Connecticut 800 numbers can be dialled in-state only.

Staff members serving outside the United States requiring federal income tax forms or information should contact the nearest United States embassy, consulate or IRS office listed below:

Berlin	(49) (30) 8305-1140
London	(44) (207) 408-8077
Mexico City	(52) (5) 209-9100 ext. 3557 or 3559
Paris	(33) (1) 4312-2555
Rome	(39) (06) 4674-2560
Singapore	(65) 476-9413
Tokyo	(81) (3) 3224 5466

24. In order to allow the Payroll Section adequate time to complete the processing of tax reimbursements, inquiries will be received by the Payroll Section from 1 to 5 p.m. The Payroll Section will be open for inquiries from 9 a.m. to 5 p.m. from 1 to 15 April 2004. Inquiries may be made by telephone ((212) 963-2949), fax ((212) 963-1544), Lotus Notes Mail (Tax Unit), Internet mail (tax@un.org), Intranet at http://intranet/Accounts/tax (for staff at Headquarters with access to the Intranet) or in person in room FF-300. Staff members outside the United States who need more

information or assistance may contact the Payroll Section at any time by telephone, fax, and letter or through the Internet.

25. Most forms required for filing federal and state returns are available from libraries, post offices and specialized government Internet sites. The Payroll Section will attempt to maintain a limited supply of a few basic forms outside room FF-300. These will be available to staff members on a first-come, first-served basis. However, most tax forms will have to be obtained directly from the appropriate tax authorities. Tax forms may be ordered by calling the telephone numbers or accessing the Internet sites listed below:

Internal Revenue Service	800-829-3676 http://www.irs.gov
New York State Department of Taxation and Finance	800-462-8100 http://www.nystax.gov
State of New Jersey, Department of the Treasury, Division of Taxation	800-323-4400 or 609-292-6400 http://www.state.nj.us/treasury/taxation/forms/htm
State of Connecticut, Department of Revenue Services	800-382-9463 or 860-297-5962 http://www.ct.gov/DRS

New York, New Jersey and Connecticut 800 numbers can be dialled in-state only.

Income tax forms from government Internet sites are available in file formats that require special software to be read and printed. File readers are generally available free of charge from many income tax Internet sites.

II. Procedures for reimbursement of federal, state and municipal income taxes for calendar year 2003

A. Computation of the reimbursement

26. The method of computing the federal, state and municipal taxes payable on United Nations earnings and, thus, the amount that the United Nations will reimburse to a staff member is as follows: The tax attributable to United Nations salary and emoluments is considered to be the **difference** between: (a) the total tax payable for the year as shown in the copies of the tax return submitted by the staff member with the United Nations income (as shown on the statement of taxable earnings) **included**, and (b) the tax that would be payable if United Nations income were **excluded** from total income. The taxable amount of pension withdrawal settlement shown on the statement of taxable earnings for staff members who joined the Organization after 31 December 1979 will be treated as non-United Nations income in accordance with General Assembly resolution 34/165 of 17 December 1979 (see para. 94 below).

27. Both calculations (a) and (b) in paragraph 26 above use the actual total deduction and the actual deduction for exemptions claimed by the staff member on his or her tax return(s) to arrive at the taxable income. With effect from the 2002 tax reimbursement, the deduction for exemptions and/or the limitation of itemized

deductions that results from including United Nations earnings in adjusted gross income is taken into consideration for the calculation of reimbursement of regular income tax or alternative minimum tax. The adjustment to income for one half of the self-employment tax (see para. 63 below) is considered to be an adjustment to United Nations income to the extent that this self-employment tax is attributable to United Nations income. All tax credits available, such as the earned income credit, the child and dependant care credit, the elderly and disabled credit, the foreign tax credit, New York City school tax credit and various state homestead tax credits are applied to reduce the total income tax liability and do not affect the calculations noted in paragraph 26 above.

28. In the year 2003, some staff members who had claimed the child tax credit on their 2002 federal tax returns received advance payments of up to $400 per child for the 2003 child tax credit from the IRS. That advance payment may affect the amount of tax reimbursement due to them from the United Nations. For the purpose of calculating the United Nations tax reimbursement, adjustment will be made to take into account the advance payment for the child tax credit. The 2003 summary statement of tax reimbursement that will be issued by the Income Tax Unit in April 2004 will indicate the amount of child tax credit determined to be due to the United Nations and the balance, if any, that is retainable by the staff member. The amount of credit due to the United Nations will be deducted from the staff member's 2003 final tax reimbursement.

B. Statement of taxable earnings

29. Each staff member on the *Headquarters* payroll who is subject to United States taxes will receive a detailed statement of his or her United Nations taxable earnings for 2003 on the United Nations form entitled "Statement of taxable earnings". The statements will be issued before 31 January 2004.

30. A staff member who is required to file a United States federal income tax return and who was payrolled at any time in 2003 by the Economic Commission for Africa, the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Asia and the Pacific, the Economic and Social Commission for Western Asia, the United Nations Office at Nairobi, the United Nations Office at Geneva, the United Nations Office at Vienna, the United Nations University, the Office of the United Nations High Commissioner for Refugees, the United Nations Relief and Works Agency for Palestine Refugees in the Near East or the International Tribunals in The Hague, Arusha or Kigali should receive a statement of his or her United Nations taxable earnings directly from the finance office at that location. Statements of taxable earnings issued by finance offices away from Headquarters will usually be issued sometime after 31 January 2004. Staff members who were on the payrolls of more than one office during 2003 should receive a separate statement of taxable earnings from each office. Their total United Nations taxable income is the sum total from all such statements.

31. Staff members will note that at the bottom of the statement of taxable earnings there is a paragraph which explains that, since remuneration from an international organization is not subject to withholding, the United Nations is exempt from issuing a Wage and Tax Statement, IRS form W-2, per se. While it is not a requirement of IRS or state/local tax authorities, staff members may wish to attach a

copy of the United Nations statement of taxable earnings to the income tax returns that they file with the appropriate tax authorities. A copy of the statement(s) of taxable earnings must be attached to the copy of the returns included with the request for reimbursement of taxes.

32. The following types of payments made by the United Nations to staff members during the calendar year 2003 are included in the statement of taxable earnings for 2003:

(a) Gross salary (before the deduction of staff assessment);

(b) Overtime and night differential;

(c) Post adjustment;

(d) Dependency allowance;

(e) Mobility and hardship allowance (including hazard pay, where applicable);

(f) Representation allowance;

(g) Education grant;

(h) Assignment grant;

(i) Travel on appointment and/or separation;

(j) Removal of household effects;

(k) Home leave travel;

(l) Rental subsidy.

The taxable portion of a partial or full distribution received from the United Nations Joint Staff Pension Fund (see paras. 91-94 below), along with any other taxable separation payments, such as accrued annual leave, repatriation grant or termination indemnity, will also be included in the statement. However, the taxable amount of the pension distribution is not considered as United Nations income eligible for tax reimbursement for those staff members who joined the Organization after 31 December 1979. United Nations daily subsistence allowance (DSA) and mission subsistence allowance (MSA) are not taxable earnings.

33. The total of all types of payments shown on the statement of taxable earnings is the amount that will be reported directly by the United Nations to the United States Internal Revenue Service and is the amount that should be reflected on the staff member's income tax returns. Every possible effort will be made to ensure that all taxable income items have been included in the statement of taxable earnings. However, even if some items have been omitted, it remains the responsibility of the staff member to include all taxable items on his or her tax return and to inform the Headquarters Payroll Section and the finance office issuing the statement of taxable earnings of the amount and date received of any item omitted from the statement of taxable earnings.

34. United Nations emoluments are considered wages or earnings from employment and they must be reported as such on line 7 of IRS form 1040, "Wages, salaries, tips, etc.". United Nations earnings are not business income and should not be reported on IRS schedule C. Any claims for reimbursement using schedule C to

report United Nations earnings subject to income taxes will be returned to the staff member for correction.

C. Social Security numbers or individual taxpayer identification numbers (ITINs)

35. The United States Internal Revenue Service, in connection with the operation of its automatic data-processing program, requires that taxpayers indicate their Social Security number or ITIN on their tax returns for use as a taxpayer account number. Under the Internal Revenue Code, a penalty may be imposed for failure to supply an account or identification number, unless the taxpayer can show that the failure was attributable to reasonable causes.

36. Staff members who are liable to pay United States federal income tax should obtain a Social Security number or an ITIN, even if they are not United States citizens or if their United Nations earnings are not otherwise subject to Social Security coverage. Staff members should file form SS-5 for a Social Security number or form W-7 for an ITIN. If a number has been applied for but not received by the due date for filing, the staff member should ask for an extension of time to file. A missing or incorrect Social Security number or ITIN may result in the tax authority applying stringent penalties. Therefore, staff members are urged to apply for and to provide the Internal Revenue Service with their Social Security number or ITIN.

D. Office to which settlement claims are to be submitted

37. All staff members (except those who are or were payrolled by UNRWA) requesting reimbursement of income taxes for the calendar year 2003 should submit their completed applications to the Payroll Section of the Office of Programme Planning, Budget and Accounts, room FF-300, United Nations Headquarters, New York, NY 10017. UNRWA staff members should submit their applications for reimbursement to the UNRWA finance office.

E. Deadline for submission of settlement claims for 2003

38. All staff members serving in the United States should submit their completed applications for reimbursement as soon as possible but **not later than 1 March 2004**. As discussed in paragraphs 68 and 69 below, for staff members serving outside the United States on or after 1 February 2004, the deadline for submission of applications for reimbursement is **1 April 2004**.

39. A staff member serving in the United States who submits a claim for reimbursement of 2003 income taxes on or before 1 March 2004 may expect the claim to be reimbursed in advance of the 15 April 2004 filing deadline, provided the claim is complete and the Payroll Section finds no problems that may delay or prevent its timely processing. Similarly, a staff member serving outside the United States who submits a complete and processable (see paras. 5 and 6 above) claim for reimbursement of 2003 income taxes before 1 April 2004 may expect the claim to be reimbursed in advance of the 15 June 2004 overseas filing deadline with the two-

month automatic extension. The lead time provided by the submission deadlines provides the Payroll Section the time required to process and pay all timely filed claims for reimbursement of income taxes in advance of filing deadlines. Staff members who submit their claims for reimbursement of 2003 income taxes after the United Nations submission deadlines are not assured that their claims will be reimbursed by their applicable income tax filing deadlines.

40. All staff members who received advances to pay estimated taxes for the tax year 2003 must submit a copy of their final tax returns for 2003, together with form F.65 (Request for Settlement of Income Taxes) and form F.243 to the Payroll Section. If a staff member does not submit these by 15 September 2004, any tax advance payments which have been made to him or her **may be recovered from his or her salary** starting the following month.

F. Incomplete or incorrect applications

41. The elements of a complete application for reimbursement of taxes are set out in paragraphs 5 and 6 above. An incomplete application will not be considered a valid request and will be returned to the applicant. In such cases, the date of submission will be deemed to be the date of receipt of the corrected, complete return. The United Nations will not accept responsibility for the consequences arising from any delays in processing attributable to incomplete claims.

42. In recent years, the use of computerized tax preparation packages has become widespread, and some of them include the electronic filing of tax returns with the tax authorities. The paper copies of tax returns generated from computer software can be accepted by the Payroll Section as the required copy of a staff member's return only if there is a fully printed description for each line number of the tax return comparable to the line descriptions on federal and state returns. Computerized tax return forms that contain only line numbers and amounts are **not** acceptable. Federal income tax returns must be prepared using IRS form 1040, and New York State resident returns must be prepared using New York State Department of Taxation and Finance form IT-201.

43. If the Payroll Section determines, in the course of processing a request for reimbursement, that an error has been made in a staff member's tax return(s), it will issue to the staff member a written notice of correction to be made to the tax return(s). Staff members should not, however, rely on the Payroll Section to detect errors. They remain fully responsible for filing correct returns with the tax authorities. Staff members who receive notices of correction are required to certify that they have made the necessary changes to their tax returns and have submitted the corrected returns to the tax authorities. They must return the notice of correction to the Payroll Section along with a copy of the corrected return(s) which they certify have been sent to the tax authorities. The United Nations will not be responsible for any delays in the issuance of tax cheques because of the requirement for returning the notice of correction with a copy of the corrected return(s) to the Payroll Section.

44. In instances when staff members have already filed their returns with the tax authorities before the receipt of a notice of correction from the Payroll Section, they must submit appropriate **amended** returns to the tax authorities and submit a copy of the amended return(s) to the Payroll Section.

G. Issuance of final 2003 tax payment cheques

45. Final tax reimbursement cheques will be issued before the 15 April 2004 deadline to all staff members who submit complete claims for reimbursement of 2003 income taxes on time by the deadline of 1 March 2004. Final tax reimbursement cheques for all overseas staff members who submit complete claims for reimbursement of 2003 income taxes by the deadline of 1 April 2004 will be issued before the 15 June 2004 deadline. Staff members whose advances to pay estimated taxes for 2003 exceeded their entitlements to tax reimbursement for 2003 for both federal and state returns will receive no reimbursement cheques. Staff members whose advances to pay estimated taxes for 2003 were less than their entitlement to tax reimbursement for 2003 will receive either one or two reimbursement cheques for each return.

46. When two reimbursement cheques are received for a particular tax return, one of the cheques will be a cheque made payable to the tax authority and the other cheque will be a cheque made payable to the staff member. The staff member must forward any cheques made payable to the tax authority to the appropriate tax authority. These cheques made payable to a tax authority must **never**, under any circumstances, be deposited into a personal account.

H. Overpayment of tax advances

47. If a staff member has received advances to pay estimated taxes for 2003 from the United Nations which exceed his or her entitlement to reimbursement for the United Nations share of the total tax liability for 2003, the amount of excess reimbursement for 2003 will normally be considered by the United Nations to be estimated tax payments for 2004. The total amount of new advance payments made for 2004 estimated taxes will be reduced accordingly. Such excess amounts are indicated on the transmittal statement accompanying 2003 reimbursement cheques and/or 2004 advance deposits. Any such excess payments for 2003 will be deducted from the first-quarter tax advance deposit for 2004 and, if necessary, from subsequent quarterly tax advance deposits.

48. In such cases, staff members should be aware that they may incur penalties and interest if the total amount of estimated tax payments for 2004 are significantly underpaid as a result of the reduction in the 2004 advance deposits made by the United Nations. Staff members will need either to designate on their 2003 tax returns a portion of any 2003 overpayment(s) as an estimated payment for 2004 and/or to make additional estimated tax payments for 2004 directly. Staff members paying self-employment taxes on United Nations earnings should pay particular attention to the effect of any United Nations overpayment of 2003 federal estimated taxes on payments credited to their 2004 federal taxpayer account.

49. In certain instances, United Nations advances received to pay estimated taxes for 2003 may have greatly exceeded the staff member's total taxes due and the staff member is eligible for an unusually large refund from the tax authority. Overpayments of 2003 estimated taxes in excess of twice the amount of 2003 income taxes due on United Nations earnings are considered to be unusually large refunds. In these instances, most or all of the potential refund is due to and payable to the United Nations, and this excess payment for 2003 by the United Nations

cannot be recovered in a reasonable time by the normal method of reducing the staff member's 2004 tax advances. In such circumstances, the staff member *must request a full refund* on his or her 2003 tax return, endorse the refund cheque to the United Nations when it is received and return it to the Payroll Section. The Payroll Section will then issue another cheque made payable to the staff member for whatever portion of the total 2003 refund was not due to the United Nations. Any such unusually large refunds from a tax authority, which are attributable to a significant overpayment of tax advances by the United Nations and which are not returned to the Payroll Section within 90 days of the required filing date of the tax return, will be subject to immediate recovery from salary or final separation payments. A staff member who is uncertain whether a large refund from a tax authority must be treated in this fashion should consult with the Payroll Section.

I. Timely filing of tax returns

50. Whether or not United Nations final reimbursement cheques are received by the filing deadline of 15 April 2004, staff members must file their returns on time with the appropriate tax authorities unless they have filed a request for an extension to file. Staff members serving outside the United States have an automatic two-month extension and must file their federal income tax returns by 15 June 2004 or apply for an extension. This will avoid the substantial penalties for failure to file the tax return within the time prescribed by law. If the tax return is filed without full payment, IRS and other tax authorities will levy a charge for the failure to pay the tax or portion thereof when due. Staff members may wish to refer to IRS notice 433 for further information about notice, penalties and interest. In this connection, the staff member is responsible for his or her share of the tax due and any interest and penalty related thereto. If, despite full compliance by the staff member with the procedures set out in the present circular, the United Nations cheques were not received in a timely fashion, a claim for reimbursement of any late payment interest and penalties levied will be considered in accordance with the provisions of paragraph 22 above. The United Nations will not, however, pay any late filing penalties under any circumstances.

III. Advances for estimated federal, New York, Washington, D.C., Virginia or Maryland and New York City or Yonkers income taxes for calendar year 2004

51. A staff member who will be liable to pay federal, state or municipal income taxes for 2004 is required to file, by 15 April 2004, a declaration of estimated tax on his or her estimated 2004 income, including salary and emoluments to be received from the United Nations. Instructions regarding the filing of the declaration of estimated income tax, showing how and when payments are to be made, can be found on IRS tax form 1040-ES, New York tax form IT-2105, New Jersey tax form NJ-1040ES, and Connecticut form CT-1040ES.

52. Staff members should be aware that, in order to avoid the penalty for underpayment of estimated taxes for 2004, in most circumstances they will be required to pay in equal quarterly instalments as estimates of their 2004 federal tax the lesser of: (a) 100 per cent of their actual 2003 tax liability (including the self-

employment tax); or (b) 90 per cent of their estimated 2004 tax liability (including the self-employment tax).

53. **It is the responsibility of staff members to include on their estimated tax forms, estimates of additional taxable income from sources other than the United Nations and to pay the estimated tax due thereon, including their share of self-employment tax (Social Security contributions).**

54. The United Nations assists staff members in meeting their estimated tax obligations on United Nations income by issuing quarterly tax advances to staff members on request and under the conditions prescribed below:

(a) A request for the issuance of advances to pay 2004 estimated income taxes is made by completing the appropriate section of form F.65 (Request for Settlement of Income Taxes), normally completed at the same time as the request for the 2003 final tax reimbursements;

(b) No advances will be issued to pay 2004 estimated income taxes to any staff member who has received advances to pay 2003 estimated income taxes but whose 2003 tax reimbursement has not been settled;

(c) No advances will be issued to staff members who are working under an initial appointment contract with the United Nations which is less than six months. The United Nations will be prepared to reimburse any penalty incurred by staff members related to underpayment of estimated taxes on such United Nations income;

(d) Staff members who have separated from the United Nations will receive no additional advances. In some instances, retiring staff members who joined the Organization before 1 January 1980 will receive taxable lump-sum pension payments or other taxable distributions that will require additional estimated payments to be made to tax authorities. The United Nations will not issue tax advances for these distributions but will be prepared to reimburse any penalty incurred by the staff members related to the reimbursable portion of the United Nations payments;

(e) Advances may be reduced or eliminated for staff members on mission or assignment outside the United States who are likely to qualify for the foreign earned income exclusion discussed in paragraphs 70 to 76 below. The United Nations will reimburse any resulting penalty incurred by the staff members related to underpayment of estimated taxes on United Nations income that resulted from such reduction or elimination of tax advances by the United Nations;

(f) The amounts of the estimated tax advances issued by the United Nations will be determined by the Payroll Section. They will normally be based either on earnings received from the United Nations in 2004 or on the amount of taxes paid on United Nations income for the full year 2003 plus the United Nations portion of the Social Security (self-employment) taxes expected to be paid for 2004, if any;

(g) All tax advances issued during 2004 will be applied against the amount calculated as reimbursable by the United Nations for the year 2004.

55. Estimated taxes are payable to the tax authorities in four quarterly instalments due on 15 April 2004, 15 June 2004, 15 September 2004 and 17 January 2005. Advances for the first quarterly instalment of the 2004 taxes will be issued before

the 15 April 2004 due date, and those for subsequent quarterly payments will be issued before the above-mentioned due dates.

56. For most staff members paying taxes to the United States, federal and New York State tax advances are deposited directly with IRS and New York State for credit to the staff member's individual accounts as estimated payments received. Staff members who have not filed their requests for 2004 advances with the Payroll Section by the Headquarters deadline of 1 March 2004 may receive their first advance for estimated federal and New York State taxes for 2004 by cheque rather than direct deposit. However, any subsequent advances in 2004 for federal and New York State estimated taxes will normally be made by direct deposit.

57. Any advances for Washington, D.C., Virginia or Maryland state/city estimated taxes will be made by cheques made payable to the staff member. The staff member should either endorse the cheque and send it promptly with the proper form to the appropriate state/local tax authority or deposit the cheque in his/her personal account and issue a cheque to pay for the estimated tax, whichever is appropriate. The United Nations does not issue advances for estimated taxes for states other than New York, Washington, D.C., Virginia and Maryland, but will reimburse any penalties and related interest that may be levied by other state tax authorities as a consequence of late payments or underpayment of estimated taxes.

58. Staff members payrolled at Headquarters whose tax advance payments for estimated federal and New York State taxes in 2003 were made by direct deposit to the IRS and New York State will be notified of the amount of the direct deposit on the 2003 statement of taxable earnings.

59. Staff members whose tax advance payments for the United Nations share of their estimated federal taxes are made by direct deposit with IRS will, in many cases, still have to make additional estimated tax payments directly to IRS each quarter, using IRS form 1040-ES payment vouchers. Staff members who are United States citizens are required to pay Social Security contributions on their United Nations earnings. They will therefore need to make estimated federal tax payments for their own share of Social Security (self-employment) taxes due and may be penalized for underpayment of estimated taxes if they do not. All staff members with taxable income from sources other than the United Nations may need to make additional estimated federal tax payments each quarter as well.

IV. Social Security contributions (self-employment taxes)

60. It is mandatory that all United States citizens report any self-employment income and pay the appropriate self-employment tax. United States citizens (but not resident aliens ("green card" holders) who have signed the Waiver) who are serving in the United States have Social Security coverage while employed by the United Nations. United States citizens serving abroad do not, except as indicated in paragraphs 87 and 88 below, have Social Security coverage; they are not subject to self-employment tax, nor can they obtain Social Security coverage by voluntary payments.

61. United States citizens working for the United Nations and serving in the United States are taxed on United Nations earnings for Social Security contribution purpose **as if they were self-employed**. Their Social Security contribution on the

gross amount of United Nations taxable income for 2003 must be calculated using IRS schedule SE (self-employment tax). This does not imply, however, that United Nations emoluments should be reported on IRS schedule C (see para. 34 above).

62. The General Assembly has approved payment of the difference between the total amount of self-employment (Social Security) tax United States citizens are required to pay as United Nations staff and the amount they would have to pay themselves as employees of a taxable employer in the United States. On this basis, the United Nations will normally reimburse one half of the self-employment tax due on the United Nations taxable earnings as calculated on IRS schedule SE.

63. United States citizens employed by the United Nations in the United States must complete schedule SE to report their self-employment tax on their United Nations income. The self-employment tax is claimed as an adjustment to income on the staff member's federal return and on some state returns. The amount of the adjustment to income is one half of the total self-employment tax reported on schedule SE. This adjustment to income must be reported on line 28 of IRS form 1040 and, if applicable, on line 17 of New York State form IT-201 or IT-203.

64. An individual's total estimated tax is defined as the sum of his or her estimated income tax and estimated self-employment tax. This means that a United States citizen employed by the United Nations in the United States is required to pay his or her self-employment tax on a quarterly basis. The payment of any balance of the self-employment tax in respect of the year 2003 will be due on or before 15 April 2004, together with the federal income tax return.

65. Completing form F.65 (Request for Settlement of Income Taxes) and attaching a completed copy of IRS schedule SE with the submitted tax return is required in order to apply for reimbursement of the United Nations portion of Social Security contributions (self-employment tax) owed. The amount due from the United Nations in respect of Social Security contributions (self-employment tax) is automatically included in the quarterly advances issued by the United Nations for payment of estimated United States federal income tax. The amount of self-employment tax included in the quarterly advances will be specifically indicated on the transmittal statement. Quarterly payments by staff members for their own share of self-employment taxes should normally equal the amounts paid by the United Nations. Normally advances of estimated taxes for the current tax year, including the United Nations share of Social Security contributions, are based on the amount of the final reimbursement paid for the immediately preceding tax year. United States citizens who joined the United Nations during the immediately preceding tax year or served outside the United States must inform the Payroll Section, New York, so that any adjustments to the Organization's share of Social Security contributions can be made in respect of the current tax year.

V. Special provisions and procedures applicable to staff members assigned to a United Nations office outside the United States during 2002 or 2003 or 2004

A. General comments

66. The United States tax regulations for taxpayers who are or have been outside the United States recently for long periods of time are complicated; United Nations tax reimbursement procedures necessarily reflect that complexity. Staff members with questions about these procedures, particularly those currently stationed outside the United States, should not hesitate to seek assistance from their professional tax preparers and if necessary from the Payroll Section by letter, telephone ((212) 963-2949), fax ((212) 963-1544), Lotus Notes Mail (Tax Unit) or Internet (tax@un.org).

67. Staff members who are stationed outside the United States on or after 1 February 2004 are expected to meet the deadlines and requirements discussed in the following paragraphs. To the maximum extent possible, the deadlines and other requirements have been designed to allow such staff members additional time to comply with them. Staff members who are unable for any reason to comply with the filing deadlines or other requirements should file extension requests with the relevant tax authorities and must notify the Payroll Section promptly and provide a written explanation of the circumstances.

B. Filing deadlines

68. In the case of United States citizens or residents who, on 15 April 2004, are living outside the United States and whose post of duty is outside the United States, the IRS grants such taxpayers an automatic two-month extension to 15 June 2004 for the filing of income tax returns for 2003. This extension to file is granted automatically, but a written statement certifying that the staff member is outside the United States must be attached to the return. Interest and late-payment penalties are charged on any tax payments owed and received after 15 April 2004. Please note that state tax authorities do not normally grant an automatic extension of time to file for overseas taxpayers. Staff members applying for an extension to file 2003 federal income tax returns must apply separately for extensions to file any required state returns.

69. The United Nations takes this automatic filing extension into consideration by granting those staff members serving outside the United States on or after 1 February 2004 an additional month to submit their request for settlement. These staff members should submit a claim for tax reimbursement as soon as possible, but **not later than 1 April 2004**. The United Nations will pay any late payment and/or underpayment interest and penalties that may have accrued as a result of this extension either to the date of payment of any unpaid taxes on United Nations income or to 15 June 2004, whichever is earlier. The United Nations will not pay any late filing penalties under any circumstances.

C. Foreign earned income and housing cost exclusions

70. In certain circumstances, the federal government and many states allow some or all income earned outside the United States to be excluded from total income before it is taxed. A staff member meeting either the **physical presence test** or the **bona fide residence test** as follows *must* elect to exclude in one or more taxable years foreign earned income attributable to the period of residence outside the United States:

(a) To qualify for this foreign earned income exclusion under the **physical presence test**, a staff member must be physically outside the United States for at least 330 full days during any period of 365 consecutive days. A full day is defined as the 24-hour period that starts at midnight. The 330 full days may be interrupted by periods in the United States.

(b) In order to qualify for this foreign earned income exclusion under the **bona fide residence test**, the staff member must be either a United States citizen or a United States resident alien who is a national of a country with which the United States has an income tax treaty in effect, and be a **bona fide** resident of a foreign country, or countries, for an uninterrupted period that includes a complete tax year, 1 January through 31 December. The determination whether a staff member is a **bona fide** resident of a foreign country involves his or her intention with regard to the length and nature of the stay. Generally, if a staff member goes to a foreign country for a definite, temporary purpose and returns to the United States after it is accomplished, he or she is *not* a **bona fide** resident of that country. If accomplishing the purpose requires an extended, indefinite stay, and a staff member makes his or her home in the foreign country, he or she may qualify as a **bona fide** resident.

71. Most staff members on mission who qualify for the foreign earned income exclusion do so under the **physical presence test** because they have been on assignment for the United Nations outside the United States for 330 days during any consecutive 365-day period. Some staff members who have not yet been outside the United States long enough by early 2004 to qualify for the exclusion are likely to qualify later in 2004 when their assignment has carried on for a year or so. The specific 365-day consecutive period during which a staff member is outside the United States for at least 330 full days is the **qualifying period** for the foreign earned income exclusion. Very often the **qualifying period** will cut across two calendar years and will therefore affect the staff member's tax returns for both years.

72. Staff members who have completed an assignment of more than 330 days outside the United States or who are likely to do so by the end of 2004 should contact their tax preparers and, if necessary, the Payroll Section to find out whether they qualify or will qualify to claim the foreign earned income exclusion. Staff members who have been on mission or assignment outside the United States during 2002, 2003 or 2004 must complete form F.65/A as a supplement to form F.65 (Request for Settlement of Income Taxes) in order to help the Payroll Section in determining whether or not the staff members have qualified or are likely to qualify for the exclusion.

73. The maximum amount of foreign income which can be excluded is $80,000 per person for tax year 2003. In most cases the amount of the maximum foreign earned income exclusion for a particular tax year is reduced in proportion to the number of days in a staff member's **qualifying period** that fall outside that tax year.

74. Some staff members who qualify for the foreign earned income exclusion will also qualify for excluding and/or deducting an additional amount based upon foreign housing costs. Staff members who are eligible (see IRS form 2555 instructions for further details) must take the full housing cost exclusions and/or deductions permissible. These housing expenses include rent, utilities (other than telephone charges), real and personal property insurance, non-refundable fees paid to obtain a lease, rental of furniture and accessories, residential parking and household repairs.

75. If a staff member qualifies for federal income tax purposes for the foreign earned income exclusion for United Nations income earned outside the United States, such income can and must also be excluded from New York State, Connecticut, New York City and Yonkers income, if applicable. There is no foreign earned income exclusion allowed, however, as a reduction to New Jersey or Pennsylvania income.

76. In calculating a staff member's tax reimbursement with respect to United Nations income, any foreign earned income exclusion available and any housing costs exclusion will be applied against the staff member's United Nations earnings to the extent that these deductions resulted from the period of his or her service with the Organization.

D. Filing procedures for staff members who have qualified for or are likely to qualify for the foreign earned income exclusion for 2003

77. Staff members who by 15 April 2004 already qualify for the foreign earned income exclusion for all or part of 2003 because the end of their **qualifying period** has already been reached must claim the exclusion for 2003 by completing IRS form 2555, "Foreign Earned Income", and including it with their completed federal tax return. All federal tax returns which include IRS form 2555 (including amended returns) must be sent to the Internal Revenue Service Center, Philadelphia, PA 19255, no matter what IRS filing centre is normally used.

78. Staff members on mission or assignment outside the United States since 2003 who have not yet qualified for the foreign earned income exclusion but who think it is likely that they will be outside the United States for 330 days during a **qualifying period** that will end between 15 April and 30 September 2004 *must* take advantage of the IRS provision that allows them to postpone filing their 2003 tax returns until such time as they expect to qualify for the foreign earned income exclusion for some portion of 2003.

79. Staff members postponing their tax filing for 2003 for the above-mentioned reason who anticipate that they will not qualify for the foreign earned income exclusion by 15 June 2004 (the extended filing date automatically granted by IRS to taxpayers physically out of the United States on 15 April) should file IRS form 4868, "Application for extension of time to file U.S. Individual Income Tax Return". This form should be sent to the Internal Revenue Service Center, Philadelphia, PA 19255 no later than 15 April 2004. Staff members must also notify the Payroll Section that they have postponed filing with the IRS and accordingly will not be able to meet the Payroll Section's 1 April 2004 deadline for submission of settlement claims for 2003 and will, thereby, be exempt from the provisions of paragraph 40 of the present circular.

80. Staff members who qualified for the foreign earned income exclusion for 2003 may in some cases have received tax advances for 2003 substantially in excess of the United Nations share of their total tax liabilities. Staff members in this situation should refer to paragraphs 47 to 49 above on overpayment of tax advances.

E. Requirements for amended tax returns in certain circumstances

81. Staff members on mission or assignment outside the United States in 2003 who have not yet qualified for the foreign earned income exclusion for 2003 and who do not expect to qualify by 30 September 2004 must submit their settlement claim for 2003 to the Payroll Section by the regular deadline of 1 April 2004 and file their 2003 returns on time with the tax authorities. Should they subsequently qualify for the foreign earned income exclusion with a **qualifying period** that includes any portion of 2003, an *amended return* or returns for 2003 must be filed with the tax authorities within 90 days of the end of the **qualifying period**.

82. Similarly, staff members who were on a mission or an assignment outside the United States which qualified them for the foreign earned income exclusion with a **qualifying period** that included part or all of *2002* or *any prior tax year* and who have not already claimed the exclusion on that year's income tax return(s) must file an *amended return* or returns with the applicable tax authorities within 90 days of the end of the qualifying period.

83. A copy of any amended return(s) to claim the foreign earned income exclusion must be submitted to the Payroll Section at the time of the filing with the tax authorities. Since the foreign earned income exclusion on returns amended for this reason relates to United Nations income for which the United Nations has already provided tax reimbursement, most or all of the refund received will be due to the United Nations. Upon receipt of the refund cheque, staff members must within 30 days bring or send it to the Payroll Section for settlement of the balance due to the United Nations.

84. If the Payroll Section determines that a staff member has qualified for the foreign earned income exclusion for a past year which would require the staff member to file an amended return for that year, a notification will be sent to the staff member informing him or her of the need to file the amended return(s). If, after 90 days following the date of the notification, the staff member has not submitted a copy of the properly amended return as filed with the tax authorities, the amount of tax reimbursement made by the United Nations for that year may be **recovered from the staff member's salary** starting the next month.

F. Tax advances for staff members on mission or assignment outside the United States

85. Tax advances for 2004 for staff members who have qualified or are likely to qualify for the foreign earned income exclusion in 2004 will be issued solely on the basis of any estimated United Nations income in excess of the expected exclusion. If for any reason the staff member does not later qualify for the exclusion, the United Nations will, in addition to reimbursing the tax actually due, pay any penalties due as a result of the underpayment of the United Nations share of estimated taxes due.

86. Staff members who are newly assigned in 2004 to missions or offices outside the United States for a period of six months or longer must notify the Payroll Section of their assignment prior to their departure. No further tax advances will be issued to staff members who begin an assignment of six months or longer outside the United States prior to 16 August 2004. Staff members who return from assignment outside the United States in 2003 or 2004 should notify the Payroll Section in order to determine if the issuance of quarterly estimated tax cheques needs to be reinstated or the amount increased.

G. Special provisions governing Social Security

87. United States citizens serving abroad (whether or not they qualify for the foreign earned income exclusion) do not have Social Security coverage and generally pay no self-employment taxes. However, to the extent that they spend time on official duty in the United States, their earnings for each such period are subject to the self-employment tax, which will be partially reimbursed by the United Nations in accordance with paragraphs 61 to 64 above.

88. The earnings subject to self-employment tax for each such period should be calculated by multiplying the number of working days spent in the United States (including the days of arrival and departure) by the daily rate of remuneration (calculated as a fraction of the then prevailing monthly rate), consisting of gross base salary, post adjustment and any salary allowances paid during the applicable period. The minimum amount of income that must be reported for self-employment/Social Security purposes in any year is $400.

VI. Special provisions relating to staff members who have already separated from the United Nations or who are expected to separate from the United Nations in 2004

89. When a staff member leaves the Organization for any reason, he or she is still required to follow the procedures for requesting tax reimbursement for the last year in which he or she received compensation from the United Nations. Staff members who separated or received final payment during 2003 are required to file the application forms with copies of their 2003 returns by the normal 2004 deadlines.

90. Staff members payrolled outside Headquarters must inform the Payroll Section in New York of the date of their separation from the Organization in advance.

91. When a staff member who has received tax advances leaves the Organization before the end of a year, the Payroll Section estimates the amount of reimbursement for taxes owed to the staff member for the partial year worked and compares it to the amount of advances already received. If the amount of the advances already received exceeds the estimated reimbursements owed, the difference is subtracted from the staff member's final payment. Staff members who plan to leave the Organization and who wish to avoid such a deduction from their final payment should consult the Payroll Section as soon as possible to reduce the amount of the tax advances they would otherwise receive.

92. United Nations Joint Staff Pension Fund payments to retired or separated staff members may include full or partial lump-sum distributions, which include the staff member's own contributions to the Pension Fund, and may include the Organization's contributions and the interest earned. The Organization's contributions and the interest earned are taxable income to the staff member when received by the staff member.

93. The taxes on these Pension Fund payments may or may not be reimbursed by the United Nations, depending on the staff member's period of service. Retired staff members who joined the Organization prior to 1 January 1980 are entitled to reimbursement for income taxes paid on partial or full lump-sum pension payments and withdrawal settlements received. Staff members who receive lump-sum payments should make sure to include the taxable amount as part of the taxable income on their returns in the year the lump-sum payment is received. The United Nations will not reimburse any future taxes payable on such distributions if the income tax liability for these amounts is deferred to future years because the staff member has "rolled over" the payments into another qualifying pension plan or an individual retirement account (IRA). Staff members should not use IRS form 4972 to calculate the amount of tax on a partial lump-sum pension payment. Any claim for reimbursement of income taxes where the tax on a partial lump-sum payment is calculated on IRS form 4972 will be returned to the staff member for correction.

94. The General Assembly, in its resolution 34/165 of 17 December 1979, decided that staff members who joined the United Nations after 31 December 1979 would not be entitled to reimbursement for income taxes paid on partial or full lump-sum payments and withdrawal settlements received. Such staff members, who do not qualify for reimbursement, may wish to "roll over" lump-sum pension payments within 60 days of receipt into another qualifying pension fund or into an IRA so that taxes on the payments are deferred until distributions are received in later years.

95. Separated staff members who are members of the Pension Fund receive a letter from the secretariat of the Pension Fund which provides the details of their contributions and United Nations payments. Staff members must submit a copy of this letter to the Payroll Section at Headquarters and to the finance office issuing their statement of taxable earnings by 31 December, so that the taxable portion of their distributions can be determined and incorporated into their statement of taxable earnings. Staff members who have become permanent residents of the United States after having joined the United Nations must also provide a copy of the Personnel Action form (PA) showing the date they signed the Waiver of Rights, Privileges, Exemptions and Immunities. It is the personal responsibility of separating staff members to inform the appropriate offices of any pension-related information that may be relevant to the preparation of their statements of taxable earnings. Partial or full lump-sum payments and withdrawal settlements pertaining to the period of service prior to signing the Waiver are not taxable and will not be included in the taxable portion of pension lump-sum payments. If the statement of taxable earnings does not include the taxable portion of any lump-sum payment or withdrawal settlement received, a staff member is nonetheless required to include the correct amount in his or her taxable income reported to the tax authorities. Requests for reimbursement for taxes will not be processed for separated staff members if the Payroll Section has not previously received a copy of the separation benefits letter from the secretariat of the Pension Fund.

96. Staff members who have separated from the United Nations will receive no further tax advances. Taxable lump-sum payments or withdrawal settlements will often require additional estimated tax payments to be made to avoid penalties. The United Nations will not issue additional advances for such separation distributions but will be prepared to reimburse any late payment and/or underpayment penalty and interest incurred by staff members related to the reimbursable portion of the United Nations payments.

UNITED NATIONS NATIONS UNIES

REQUEST FOR SETTLEMENT OF 2003 INCOME TAXES

To: PAYROLL SECTION, room FF-300, Office of Programme Planning, Budget and Accounts, United Nations, New York, NY 10017

Index No.: _____ (MANDATORY) **Social Security No.:** _____ (MANDATORY)

Last name: _____ (MANDATORY)

First name: _____ (MANDATORY) **E.O.D Date** _____ MONTH/YEAR ONLY

Spouse has United Nations earnings in 2003 subject to income tax reimbursement? ☐ Yes ☐ No

Spouse last name: _____ (MANDATORY, IF FILING JOINT RETURN)

Spouse first name: _____ (MANDATORY, IF FILING JOINT RETURN)

Spouse Index No.: _____ (MANDATORY, IF YES ABOVE) Spouse Social Security No.: _____ (MANDATORY, IF FILING JOINT RETURN)

Visa status: ☐ U.S. citizen since at least 1 January 2003 (Visa status "U")

☐ U.S. permanent resident since at least 1 January 2003 and have signed the "Waiver" (Visa status "W")

☐ Residency/citizenship status changed from ___ to ___ effective date ___ 03 (NOTE - Valid entries are: G = G4 visa, W = U.S. permanent resident, U = U.S. citizen) (day/month)

Duty status: ☐ Active staff member at time claim for reimbursement of taxes submitted to **Payroll Section, New York**

☐ Separated/Retired staff member as at ___ 03 (day/month)

☐ Other, please explain _____ (SLWFP, SLWOP, etc.) effective date ___ 03 (day/month)

Organization: ☐ United Nations ☐ UNDP ☐ UNICEF ☐ Other _____ (PLEASE INDICATE)

Office: _____ Room No.: _____

Telephone: ___ - ___ - ___ e-mail address: _____ @ _____

Please direct all communication including cheques to my ☐ home ☐ office

Address as on 2003 IRS form 1040 filed (*NOTE – PLEASE OMIT COMMAS AND OTHER PUNCTUATION*):

Street/apt.: _____

City: _____ (INCLUDE POSTAL CODE OF ANY COUNTRY OTHER THAN UNITED STATES HERE)

State/country: _____ U.S. Zip code _____ (DO NOT RECORD POSTAL CODE OF ANY COUNTRY OTHER THAN UNITED STATES)

Check one or both boxes:

☐ A. I am requesting settlement of 2003 income taxes. *(Complete numbers 1 to 12 below and UN form F.243.)*

☐ B. I am requesting advances to pay 2004 estimated income taxes. *(Complete numbers 1 to 5 and numbers 13 to 17 below.)*

SECTION I — To be completed by all staff members

In consideration of any tax payments made to me, *I hereby certify* and give the following undertakings:

1. (a) I am, or have been, assigned to a United Nations office outside the United States during 2004, 2003 or 2002. ☐ Yes ☐ No

(b) If I have checked "Yes", I have completed and attached form F.65/A. ☐ Yes ☐ No

(over)

☐ 2. I certify that any cheques made payable to a tax authority received from the United Nations in response to my requests for tax advances or reimbursements have been or will be transmitted to the tax authorities named on the cheques solely to meet my income tax obligations and will never be deposited into a personal account.

☐ 3. I certify that I will provide the United Nations, upon request, with acceptable proof of taxes paid or other documents or information as may be required to verify my tax liabilities.

☐ 4. I certify that I will refund to the United Nations any overpayment of tax reimbursements or advances, together with any interest received as a result of any such overpayment made by the United Nations.

☐ 5. I certify that any settlements which I have received from the United Nations for the purpose of meeting income tax liabilities of previous years have been paid by me to the appropriate tax authorities and that no part of such money has been refunded to me by the income tax authorities which I have not refunded to the United Nations.

SECTION II — To be completed by all staff members requesting settlement for 2003 income taxes

☐ 6. I certify that the signed copies of my income tax returns for 2003, which are attached, are true, correct and complete copies of final returns, that they are the identical copies of the returns filed with the tax authorities, that they correctly reflect my tax liabilities for 2003 and that they are the basis on which settlement for 2003 taxes are requested.
If my request for settlement includes tax returns from states other than New York, New Jersey or Connecticut, or for municipal authorities other than New York City or Yonkers, I have attached to this application the tax rates and relevant instructions issued by the tax authorities.

☐ 7. I certify that, as a United States citizen, I am subject to United States self-employment tax on my United Nations earnings and that I am entitled to the difference between the amount of the Social Security tax I am required to pay as a United Nations staff member and the amount I would have to pay as an employee of a taxable employer. I have reported my self-employment tax on my United States Income Tax Form 1040, and I have attached to my return a copy of Schedule SE.

☐ 8. I certify that I have minimized my income tax for 2003 by utilizing all adjustments to income, deductions and exemptions to which I am entitled, including the itemizing of deductions if they exceed the standard deduction allowable.

☐ 9. I certify that if I have received a United Nations dependency allowance for relative(s) residing in the United States, I have claimed these relative(s) as dependant(s) on my income tax returns or I have provided acceptable explanation as to why not.

☐ 10. I certify that I will notify the United Nations within 30 days if for any reason it is necessary for me to file an income tax return which is different from the returns I have herewith submitted and will furnish a copy of the new return to the United Nations.

☐ 11. I certify that I will notify the United Nations within 30 days of any amended returns subsequently filed or any change in my tax liability which might require adjustment of the tax payments received in any year.

☐ 12. I have completed in full, signed, dated currently and attached an ORIGINAL of form F 243 (I-04).

SECTION III — To be completed by all staff members requesting advances to pay 2004 estimated taxes

13. I request advances to pay the following estimated taxes for 2004:

☐ Federal ☐ Social Security/self-employment ☐ State/city

14. I expect to itemize deductions in 2004: ☐ Yes ☐ No

If I have checked "Yes", my estimated total deductions for 2004 are:

Federal: $ _____ State/city: $ _____

15. My own and, if applicable, my spouse's total taxable income in 2004 (other than United Nations income) is estimated to be: $ _____

16. Total number of federal exemptions that will be claimed in 2004, including myself, will be: _____

17. I have moved into or out of New York State or New York City or Yonkers during 2004: ☐ Yes ☐ No

If I have checked "Yes", the date of my move was: _____ (day/month/year) and I moved from _____

to: _____

18. I authorize the United Nations to make estimated tax advance deposits on my behalf to the federal tax authorities through the Electronic Federal Tax Payment System (EFTPS) and to the state/local tax authorities.

ALL INFORMATION CONTAINED HEREIN CERTIFIED TRUE AND CORRECT.

Date: _____ (day/month/year) Signature: _____

UNITED NATIONS NATIONS UNIES

REQUEST FOR SETTLEMENT OF INCOME TAXES
SUPPLEMENTARY INFORMATION TO FORM F.65
To be completed by staff members on mission or assignment outside the U.S. during 2004, 2003 and/or 2002

Index No.

Last name

First name

Staff members who have been on mission or assignment outside the United States for a substantial period may qualify for foreign earned income exclusion for the federal and some state income taxation. The maximum exclusion for 2003 is $80,000.00 per person. Detailed information about the exclusion of foreign earned income can be found in the INFORMATION CIRCULAR from the Controller on PAYMENT OF INCOME TAXES and the instructions for IRS form 2555, which must be completed and attached to the tax returns of staff members who qualify for the exclusion.

It is necessary to complete this form in order to help the Payroll Section to determine whether or not you have already qualified or are likely to qualify for the foreign earned income exclusion for tax years 2002 and/or 2003.

The data for 2003 are also essential for U.S. citizens who, while on assignment outside the United States, are subject to self-employment taxes to the extent that they spend time in the United States on official duty. Please use digits to represent the month and follow the international dating convention of DAY/MONTH/YEAR when completing this form.

☐ I am currently outside the United States on mission or assignment.
My most likely return date to an assignment in the United States is: Day Month Year

☐ I have indicated below each different period from 1 January 2002 to the present during which I was outside the United States, and I have attached an additional piece of paper for more entries, if necessary.

Date departed from U.S. (Day Month Year)	Date returned to U.S. (Day Month Year)
Date departed from U.S.	Date returned to U.S.
Date departed from U.S.	Date returned to U.S.
Date departed from U.S.	Date returned to U.S.
Date departed from U.S.	Date returned to U.S.
Date departed from U.S.	Date returned to U.S.
Date departed from U.S.	Date returned to U.S.

CERTIFIED TRUE AND CORRECT

Date: Day Month Year Signature:

CONSENT FOR THE INTERNAL REVENUE SERVICE TO DISCLOSE TAX RETURN INFORMATION TO THE UNITED NATIONS

Information contained in United States federal income tax returns is confidential and, except as authorized by the Internal Revenue Code, may not be disclosed to any person. Taxpayers may authorize the Internal Revenue Service to release this confidential tax return information to persons otherwise not entitled to receive such information.

The purpose of this consent is to authorize the Internal Revenue Service to disclose certain confidential tax information to the United Nations to assist the United Nations in verifying the United States income taxes you paid on your earnings from the United Nations. The United Nations will use this information in connection with its programme of reimbursing income taxes paid on United Nations emoluments, pursuant to staff regulation 3.3(f). The Internal Revenue Service has no involvement in such verification aside from processing any consents received from taxpayers and disclosing information in accordance with the terms of such consents. The United Nations will pay the fees incurred in processing the present consent.

You may revoke the present consent by writing to the Internal Revenue Service at:

Internal Revenue Service
1040 Waverly Avenue
Holtsville, N.Y. 11742
Attn: Photo Disclosure
Stop 532

The Internal Revenue Service will honour no consent if a written revocation is processed at the designated address prior to a disclosure being made.

CONSENT BY STAFF MEMBER

I, _____ hereby authorize
NAME OF STAFF MEMBER

the Internal Revenue Service to disclose to the United Nations tax information including a transcript of my Federal income tax account(s) for 2003/2002/2001/2000. The return(s) was/were filed under the name(s) of
(Cross out only those year(s) during which you were NOT a United Nations staff member.)

_____
NAME(S) UNDER WHICH 2003 IRS FORM 1040 FILED

at _____
ADDRESS AS ON 2003 IRS FORM 1040 FILED

showing my Social Security number _____ and that of my spouse _____
IF APPLICABLE

If I revoke this consent, I authorize the Internal Revenue Service to disclose a copy of my revocation, or the fact that I have revoked, to the United Nations.

I request the Internal Revenue Service to transmit the above information to:

United Nations
New York, N.Y. 10017

Signature:* _____ Date: _____
MONTH/DAY/YEAR

***Even if the tax return is a joint one, the staff member concerned need only sign this form.**

IMPORTANT INSTRUCTIONS: *Please fill out the form above by printing your name, the name(s) under which your return was filed, your current address and Social Security number(s) in the appropriate blanks. If you were not a staff member of the United Nations during any of the four years listed on the third line, you may cross out that/those year(s), but make no other changes or notations on the form. If you file joint returns, you must fill in your spouse's Social Security number. Complete this form in pen. Do not use pencil. Sign and date the form at the bottom, making sure that you follow the format shown, that is, **"MONTH/DAY/YEAR"**. YOU MUST RETURN THIS FORM WITH AN **ORIGINAL** SIGNATURE AND DATE.*
COPIES OF THIS FORM ARE NOT ACCEPTABLE.

UNITED NATIONS NATIONS UNIES

REQUEST FOR SETTLEMENT OF 2003 INCOME TAXES

CHECKLIST

(DO NOT INCLUDE WITH YOUR SUBMISSION)

This checklist is intended to assist staff members who are submitting claims for reimbursement of 2003 income taxes to ensure that they have submitted complete and correct claims in a timely manner. To facilitate logging and processing of 2003 claims for reimbursement of income taxes, the Payroll Section, New York, asks that the component parts of a complete claim for reimbursement of 2003 income taxes be ordered as follows:

- ☐ F.243
- ☐ F.65
- ☐ F.65/A (if serving outside the United States)
- ☐ Federal income tax return
- ☐ New York state income tax return
- ☐ Other state income tax return(s)

SUBMISSION DATES

1. ☐ My duty station is in the United States, my UN submission deadline is **1 March 2004** and my IRS filing deadline for my 2003 income tax return is **15 April 2004**.

2. ☐ My duty station is outside the United States, my UN submission deadline is **1 April 2004** and my IRS filing deadline for my 2003 income tax return is **15 June 2004**.

FORM F.243

3. ☐ I have included United Nations form F.243 with my claim for reimbursement of 2003 income taxes.

4. ☐ If I file joint return with my spouse, the F.243 includes the name and Social Security number of my spouse.

5. ☐ I have crossed out **only those tax years** during which I was **not** a United Nations staff member.

6. ☐ Form F.243 includes my address as on my 2003 IRS form 1040 filed.

7. ☐ I have dated form F.243 according to the **American** dating convention of **MONTH/DAY/YEAR.**

8. ☐ I have dated form F.243 currently and trust the Payroll Section, New York will receive my claim for reimbursement of 2003 income taxes within 60 days of the signature date of form F.243.

9. ☐ I have not altered the signature/date of form F.243 with "white-out" or by crossing out or otherwise altering the signature/date on the form.

FORM F.65 and F.65/A

10. ☐ I have completed all mandatory fields including my index number, my Social Security number, my name, my spouse's name, Social Security number and index number (if applicable).

11. ☐ I have indicated the date my citizenship or residency status in the United States changed in 2003.

INCOME TAX RETURNS

12. ☐ I have included complete copies of my 2003 federal and all applicable state income tax returns.

13. ☐ I must file my 2003 income tax returns by the IRS filing deadline applicable to me or, in the alternative, I must apply for an extension of time to file before my IRS filing deadline. I understand that the UN will not file my tax returns on my behalf.

Annex

The most frequently asked questions on income taxes in the United Nations

The answers to the following most frequently asked questions are explained in detail in the tax information circular (ST/IC/2004/5). Please read it and be sure that anybody who assists you in the preparation of your tax returns reads it also. In the answers to the questions below, reference is made to some specific paragraphs of the information circular on payment of 2003 income taxes. Please note that this is not an exhaustive list, and therefore should not be used in lieu of the information circular.

1. What is the main purpose of the United Nations tax reimbursement system?

The United States does not exempt the United Nations earnings of its taxpayers from taxes. In the interest of equity, the General Assembly established a system to reimburse income taxes to those United Nations staff members who are required to pay taxes in respect of salaries or other emoluments they receive from the Untied Nations. The purpose of the reimbursement system is to place United Nations staff members subject to taxation in the position they would have been if their official emoluments were not taxed. Hence, it is intended neither to provide a benefit, nor to place the staff member at a disadvantage, in relation to other United Nations staff members who are not required to pay taxes to a Member State on their United Nations emoluments (ST/IC/2004/5, paras. 3-4).

2. What is staff assessment and how is it related to income taxes?

Staff assessment is **not** a withholding tax. It is an amount deducted from all United Nations staff members' gross pay according to the United Nations Staff Regulations and Rules, regardless of their nationality. This amount is credited to the Tax Equalization Fund. Those Member States that do not impose income tax on the United Nations earnings receive a portion of the Tax Equalization Fund as an offset against their assessments for the United Nations regular budget, peacekeeping and tribunal budgets. When staff members have to pay national income taxes on their United Nations earnings, they are reimbursed from the Tax Equalization Fund irrespective of the total amount of staff assessment deducted from their salaries. Staff assessment **cannot** be claimed as a deduction on United States income tax returns. As staff assessment is not a withholding tax, it cannot be reimbursed to staff members under any circumstances.

3. Who is subject to United States income taxation on United Nations earnings?

United States citizens and permanent residents who have signed the Waiver of Rights, Privileges, Exemptions and Immunities (the Waiver) are subject to United States income tax on their United Nations earnings (ST/IC/2004/5, para. 1). In addition, United States citizens serving in the United States are also subject to self-

employment tax on their United Nations earnings. The United Nations reimburses those staff members who have to pay the United States income taxes due on their United Nations earnings as well as one half of the related self-employment taxes payable by United States citizens.

4. Who has to pay self-employment tax and what is a staff member's share?

Based on United States law, it is mandatory that all United States citizens serving in the United States pay self-employment tax on their United Nations earnings. United States citizens serving abroad who spend time on official duty in the United States are also subject to self-employment tax on the earnings for the period worked in the United States. The United Nations will normally reimburse one half of the self-employment tax due on the United Nations taxable earnings as calculated on IRS schedule SE; a United States staff member has to pay the other half (ST/IC/2004/5, paras. 60-65).

5. How does a staff member request income tax advances and/or reimbursement cheques from the United Nations?

To request income tax advances, a staff member subject to income taxation should complete United Nations form F.65 and submit it together with a copy of his/her personnel action to the Income Tax Unit, room FF-300 (ST/IC/2004/5, paras. 5(b)-8). United States permanent residents should also provide the Personnel Action form (PA) reflecting the date when they signed the Waiver. To request tax reimbursement, a staff member must submit a photocopy of his/her complete set of income tax returns together with properly completed forms F.65, F.65/A (if applicable) and F.243 to the Income Tax Unit. Staff members who have received tax advances must submit a request for tax reimbursement for each year within the deadline for submission. There is a one-year limitation on retroactivity of filing a claim for tax reimbursement (ST/IC/2004/5, para. 21).

6. What are the deadlines for submitting requests for income tax reimbursements to United Nations and filing with United States tax authorities?

The deadlines for submission of requests for income tax reimbursement to the United Nations are 1 March 2004 for staff serving in the United States and 1 April 2004 for staff serving elsewhere. The Income Tax Unit must receive the requests by these deadlines to allow adequate time for processing and reimbursement before the actual filing deadline with the tax authorities (ST/IC/2004/5, paras. 38-40). The deadlines for filing income tax returns with the tax authorities are 15 April 2004 for taxpayers in the United States and 15 June 2004 for overseas taxpayers. Requests for income tax reimbursement submitted after the submission deadlines are handled on a first-come, first-served basis. It should be noted that there is a one-year limitation on filing a claim for tax reimbursement (ST/IC/2004/5, para. 21).

7. How does the United Nations calculate income tax reimbursements due to staff members?

Based on the income tax returns submitted by a staff member, the United Nations Income Tax Unit will calculate the following two amounts: (a) the actual total tax payable for the year as shown in the copies of the tax return with the United Nations income (as shown on his/her statement of taxable earnings) **included**; and (b) the tax that would be payable if United Nations income were **excluded** from total income. Both calculations use the **actual** total deductions and the **actual** exemptions claimed by the staff member on his/her tax returns to arrive at the taxable income. Effective with the 2002 tax reimbursement, the deduction for exemptions and/or the limitation of itemized deductions that may result from including United Nations earnings in adjusted gross income is taken into consideration for the calculation of reimbursement of regular income tax or alternative minimum tax (ST/IC/2004/5, para. 27). The difference between the two calculations is the tax attributable to United Nations income and will be reimbursed by the United Nations. To illustrate, assume that a staff member and his/her spouse working outside the United Nations filed as married filing jointly for 2003, had the following federal taxable income and were not subject to Social Security tax:

(i) Actual total tax payable on return		
United Nations earnings	$73,000	
Non-United Nations ordinary income	40,000	
Less: Deductions	(15,000)	
Less: Exemptions	(6,100)	
Taxable income	$91,900	
Federal Tax	$16,601	(A)
(ii) Tax payable without United Nations income		
Non-United Nations ordinary income	40,000	
Less: Deductions	(15,000)	
Less: Exemptions	(6,100)	
Taxable income	$18,900	
Federal Tax	$2,139	(B)
United Nations federal income tax reimbursement =	(A) - (B)	
=	$16,601 - $2,139	
=	$14,462	

8. What are estimated tax payments for?

The United Nations does not have a tax withholding system. Staff members who are liable to pay federal, state or municipal income taxes for 2004 are required to file, by 15 April 2004, a declaration of estimated tax on their estimated 2004 income, including salary and emoluments to be received from the United Nations. In order to avoid the penalty for underpayment of estimated taxes for 2004, staff members, in most circumstances, will be required to pay in four equal instalments as estimates of their 2004 federal tax the lesser of: (a) 100 per cent of their actual 2003 tax liability (including the self-employment tax); or (b) 90 per cent of their

estimated 2004 tax liability (including the self-employment tax), due on 15 April 2004, 15 June 2004, 15 September 2004 and 17 January 2005.

For most staff members subject to paying taxes to the United States, federal and New York State tax advances are paid directly to the IRS and New York State by the United Nations for credit to the taxpayer's individual account as estimated payments. Those staff members who have not filed their requests for 2003 tax reimbursement and 2004 advances with the Income Tax Unit by the prescribed filing deadline of 1 March 2004, will receive their first advance for estimated federal and New York State taxes for 2004 by cheque rather than direct payment. However, any subsequent advances in 2004 for federal and New York State estimated taxes will normally be made by the United Nations to the IRS and New York State by direct deposit.

Any advance for Washington, D.C., Virginia or Maryland state estimated taxes will be made by cheque payable to staff members, who should either endorse the cheques and send them promptly to the appropriate state tax authority or deposit the cheques in their personal bank accounts and issue their own cheques to pay for the estimated tax.

It is the responsibility of staff members to include on their estimated tax forms their share of self-employment tax, if applicable, and estimates of additional taxable income from sources other than the United Nations and to pay the estimated tax due thereon.

9. What should a staff member do with United Nations tax cheques payable to the tax authorities?

There are only two purposes for which the United Nations issues tax cheques payable to the tax authorities for a staff member:

(a) For the balances due shown on a staff member's income tax returns, or

(b) For a staff member's estimated income tax advances.

A staff member should forward any United Nations tax cheques made payable to the respective tax authorities to the appropriate addresses of the tax authorities. A staff member **should not**, under any circumstances, **cash or deposit** any United Nations tax cheques payable to the tax authority into his/her bank account. If a staff member pays the balance due or estimated tax advances before receiving United Nations tax cheques, he/she should return to the Income Tax Unit the United Nations cheques payable to the tax authorities, together with proof that he/she paid the tax authorities (such as copies of his/her cancelled personal cheques). The Tax Unit will then reissue the United Nations tax cheques to his/her name. At times tax reimbursement cheques made directly payable to a staff member may also be issued when the amount that a staff member paid to the IRS is larger than the total tax due on his/her outside income. Only tax cheques issued with the staff member's name as the sole payee may be cashed or deposited to his/her bank account.

10. Who gets the tax refund that a staff member receives from the tax authorities?

Entitlement to tax refunds is dependent upon who overpays the tax authorities. A staff member may retain the tax refund that he/she receives from the tax authorities if he/she has more withholding tax on his/her non-United Nations income than his/her tax liabilities or if he/she overpays the tax authorities on the non-United Nations earnings. If the United Nations overpays the estimated income tax advances related to a staff member, the overpayment amount will be indicated on a transmittal statement to the staff member after the staff member's income tax reimbursement claim is settled. The United Nations treats these overpayments as pre-payments of tax advances for the subsequent year. Staff members who continue to be subject to United States income taxes on the United Nations earnings should indicate on their tax returns that tax overpayment should be applied to the following year's estimated taxes. Separated staff members should return the United Nations portion of tax refunds to the Organization.

11. Who pays the penalties and interest imposed by tax authorities?

As the responsibility for filing complete, correct and timely tax returns is that of the individual taxpayers, the United Nations will not reimburse staff members for penalties and/or interest imposed by tax authorities on their United Nations earnings except if: (a) the delays are attributable to the Organization; or (b) penalties or interest are the result of written instructions given by the United Nations. Under certain conditions, staff members serving outside the United States may also be reimbursed for penalties and interest (ST/IC/2004/5, para. 69). The United Nations **will not** pay any late filing penalties under any circumstances. Staff members are, therefore, advised to file the appropriate extension forms with tax authorities before the deadline for filing is due.

12. What action is taken by the United Nations Income Tax Unit if a staff member makes an error in his/her tax returns?

If the Income Tax Unit, in the course of processing a staff member's request for reimbursements, determines that there is an error, it will issue to the staff member a written notice of corrections to be made to the tax return(s) by the staff member. Staff members are required to acknowledge and certify that they have made the appropriate changes on their tax returns submitted to the tax authorities, and to return the certified correction notification, together with a copy of the corrected tax forms, to the Income Tax Unit. Staff members **should not**, however, rely on the Income Tax Unit to detect errors. They remain fully responsible for filing correct returns with the tax authorities.

It should be noted that by completing United Nations form F.243 (Consent for the Internal Revenue Service to disclose tax return information and estimated tax payments to the United Nations), a staff member authorizes the IRS to disclose to the United Nations tax information and estimated tax payments regarding his/her federal income tax account(s) for the particular tax years if and when the United Nations requests this information. The tax information is used only to ascertain that

the staff member who submits photocopies of his/her income tax returns to the United Nations Income Tax Unit also files the same income tax returns with the IRS. It does not imply that the staff member's federal income tax returns are completely correct and accepted by the IRS. Nor does it imply that the United Nations is obligated to verify the validity of each claim submitted to the Tax Unit with the tax authorities.

13. Under what circumstances can a married staff member file separately?

Generally, if a married staff member is not receiving a dependency allowance for his/her spouse, he or she can elect to file separately. However, if a staff member files separately while receiving a dependency allowance for his/her spouse, the United Nations final reimbursement of income taxes will be calculated as if he/she is filing a joint return with the spouse (ST/IC/2004/5, para. 13).

14. Does a staff member have to claim dependants for whom he or she receives dependency allowances from the United Nations?

A staff member who has received United Nations dependency allowances for his/her children or relatives residing in the United States is required to claim the appropriate exemptions for the dependants, or provide acceptable written explanation as to the reason for not doing so (ST/IC/2004/5, para. 15).

15. Should a staff member submit a copy of his/her income tax return to the United Nations Income Tax Unit if he or she is stationed abroad and does not have any federal tax due in respect of United Nations earnings?

It is advisable for the staff member to submit a photocopy of his/her income tax return to the Income Tax Unit, regardless of whether he/she fully qualifies under the foreign earned income exclusion and may not have any tax liabilities. It provides a continuous record for his/her tax file and in instances of subsequent amendments, he/she can submit an amended return to the Tax Unit for reimbursement.

United Nations ST/IC/2004/6

Secretariat

20 January 2004

Information circular*

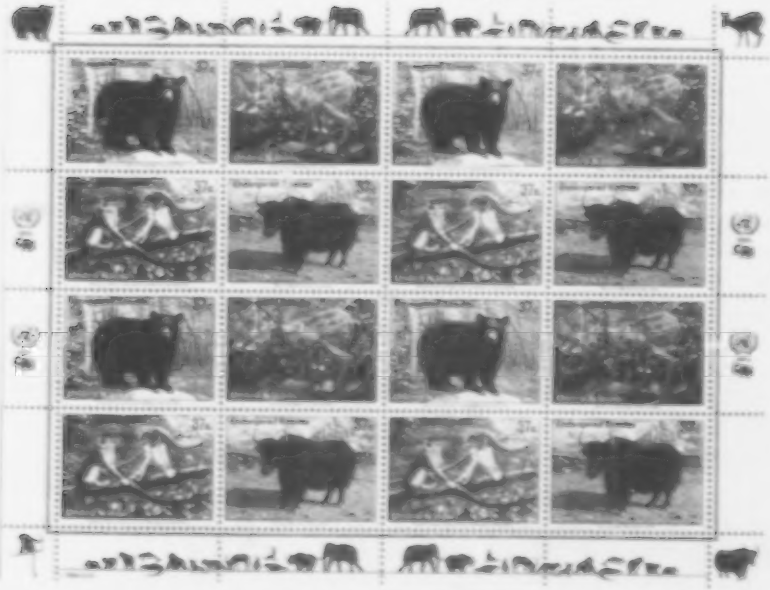
To: Members of delegations and staff

From: Officer-in-Charge, Office of Central Support Services

Subject: **First day of issue — 29 January 2004 "Endangered Species Series"**

Commemorative stamps

1. On Thursday, 29 January 2004, the United Nations Postal Administration (UNPA) will issue a set of 12 stamps depicting endangered species of fauna. These will be the twelfth set of stamps in UNPA's multi-year series Endangered Series, which was launched on 3 March 1993 to highlight the need for the protection of species throughout the world which are in endanger of extinction.



Denomination:
57¢

Endangered Species:
American Black Bear
Musk Ox
Golden Snub-nosed Monkey
Wild Yak

Designer:
Stan Lee
(United States of America)

* Expiration date of the present information circular: 11 February 2004.

04-71645 (E) 230104

2. The issue will consist of three sheets of 16 stamps in denominations of 77¢, F.s. 1.00 and €0.55. Each sheet will illustrate four different endangered species.

(United States equivalents — F.s. 1.00: 77¢ and €0.55: 65¢, subject to exchange rate fluctuation.)

2004 Endangered Species annual collection

5. On 29 January, the United Nations Postal Administration will release the 2004 Endangered Species annual collection folder of single mint stamps.

6. The 2004 annual collection will be contained in a specially designed album. The album devotes separate pages to each of the 12 endangered species. Descriptive information is provided in English, French and German, and each stamp is beautifully highlighted by a colourful array of photographs relative to the species. It should be noted that the Endangered Species series **will not** be included in the annual collection albums to be issued later in 2004.

7. The stamps are not affixed inside the album, although spaces and mounts have been provided for this purpose.

Triple-cancelled Endangered Species annual collection folder

8. Since the 2004 Endangered Species annual collection folder will contain stamps in all three denominations, special arrangements have been made by UNPA to make available to its collectors the Endangered Species collections, in which the stamps will be affixed and cancelled with the date 29 January 2004, the first day of issue in New York, Geneva and Vienna, as appropriate.

9. The policy of offering triple cancellations for the Endangered Species annual collection will continue throughout the duration of this series.

Maximum cards

9. The twenty-fifth set of UNPA's maximum cards will also be issued on 29 January 2004. Three different cards will be produced to accommodate the three different se-tenant blocks of four stamps being issued. To conform to the maximum cards issued for the Endangered Species in prior years, each maximum card will reproduce photographs of the species appearing on each of the stamps in the se-tenant block. The appropriate se-tenant blocks of stamps will be affixed and cancelled first day of issue for each respective office. The maximum card cancelled United Nations New York will sell for $1.78. The cancelled United Nations Geneva card is priced at $3.78, while the cancelled United Nations Vienna card is priced at $2.91, subject to exchange rate fluctuations.

9. Starting with this set of maximum cards, UNPA will sell the plain cards (without stamps affixed) for 25¢.

Special limited silk cover

10. The release of the 2004 Endangered Species series stamps will coincide with the Hong Kong 2004 Stamp Expo. To mark this event, UNPA has produced a special limited edition silk cover. The 37¢ American Black Bear, the F.s. 1.00 Asiatic Black Bear and the €0.55 Sloth Bear will be affixed to these covers and cancelled appropriately. These covers will sell for $3.95 while supplies last.

Living Earth III

11. On the same day, UNPA, in cooperation with the postal administrations of Canada, Hong Kong Special Administrative Region of China, Ireland and Sweden, will make available the all-new, beautifully designed Living Earth, volume III album. The third volume continues the theme of nature by bringing worldwide attention to our natural heritage through postage stamps.

Definitive stamp

12. Also on 29 January 2004, UNPA will issue a new Austrian definitive stamp in the denomination of €0,55 to meet current postage rates. The stamp shows the Schloss Schönbrunn in Vienna and is credited to Austrian News.

General information

13. For the convenience of collectors, UNPA at Headquarters will provide prepared and cancelled New York, Geneva and Vienna first day covers on the UNPA official first day cachets **only**. Members of delegations and the staff can obtain these items on Thursday, 29 January, at the following locations:

(a) The UNPA sales counter in the concourse of the General Assembly Building from 9 a.m. to 5 p.m.;

(b) A temporary sales counter, located on the east side of the Secretariat Lobby between the cafeteria and newsstand against the windows, from 9 a.m. to 4 p.m.

14. First-day-of-issue cancellations can be obtained at a temporary U.S. Postal Service substation located outside the United Nations Bookshop in the concourse of the General Assembly Building from 9 a.m. to 5 p.m.

15. Information on United Nations stamps can be accessed on the Internet at http://www.un.org/Depts/UNPA.

United Nations ST/IC/2004/7

Secretariat

21 January 2004

Information circular*

To: Members of the staff

From: The Assistant Secretary-General for Human Resources Management

Subject: **Classification of duty stations and special entitlements for staff members serving at designated duty stations**

1. The purpose of the present information circular is to inform the staff of the classification of duty stations established by the International Civil Service Commission (ICSC) according to conditions of life and work and to the revised lists of duty stations designated by ICSC where special entitlements apply for eligible staff, as explained in paragraphs 6 to 10 below. The revised lists are set out in annexes II and III to the present circular. The revisions are effective 1 January 2004.

I. Classification of duty stations

2. All duty stations are placed by ICSC in one of six categories: H and A to E. The H category comprises headquarters duty stations and other duty stations in similar locations where the United Nations has no developmental or humanitarian programmes. The A to E categories comprise all other duty stations classified by order of difficulty of conditions of life and work. Annex I to the present circular contains the list of duty stations classified in the H category. Annex II contains the list of duty stations classified in the A to E categories.

Mobility and hardship allowance

3. The category of the duty station where a staff member is serving and/or has served, H and A to E, is one of the factors that determines whether the staff member is eligible for each of the three elements of the mobility and hardship allowance, namely, the mobility, the hardship and the non-removal elements. It is also a factor in determining the amount of the allowance. The relevant provisions on the matter are set out in staff rules 103.22 and 203.11 and in the administrative instruction on the mobility and hardship allowance.

* The present circular will be in effect until further notice.

04-21965 (E) 030204

Removal costs

4. The category of the duty station is a factor in determining eligibility for removal costs under staff rule 107.27. Such costs are normally payable in the case of service at H duty stations when the appointment is for two years or more or the assignment to a new duty station is expected to be for two years or more. In those cases where removal costs are not payable, the staff member may be eligible for the non-removal element of the mobility and hardship allowance.

Special entitlements at designated duty stations

5. The classification of duty stations in the A to E categories is linked to the special entitlements that are set out in the administrative instruction on special entitlements for staff members serving at designated duty stations.

II. Duty stations at which special entitlements may apply for eligible staff

6. At duty stations classified in the A to E categories, which are listed in annex II to the present circular, one or more of the special entitlements set out in the administrative instruction on special entitlements for staff members serving at designated duty stations may apply, as indicated in paragraphs 7 to 9 below. The granting of these entitlements is subject to the conditions established in the applicable staff regulations and rules and the above-mentioned administrative instruction.

7. The category of each of the duty stations listed in annex II is indicated in the first column of the annex. At duty stations classified in the C, D and E categories, eligible staff are entitled to:

(a) Accelerated home leave travel, that is, home leave travel once in every 12 months; and

(b) Special terms for the exercise of the unaccompanied shipment entitlement of 50 kilograms or 0.31 cubic metres for travel on home leave, family visit or education grant so that the unused portion of the entitlement for one leg of the travel may be used to supplement the normal entitlement for the other leg of the travel.

8. The designated duty stations where eligible staff are entitled to additional education grant travel and an additional reimbursement for boarding costs under the education grant are indicated in the second column of annex II to the present circular.

9. The designated duty stations where eligible staff are entitled to additional shipment entitlements, namely, an annual shipment entitlement and a shipment on the birth or adoption of an infant, are indicated in the third column of annex II to the present circular.

10. Eligible staff members serving at duty stations in the countries listed in annex III to the present circular are entitled to reimbursement of the costs of basic medical examinations for accompanying eligible family members.

11. **The present circular supersedes information circular ST/IC/2003/10 and Add.1.**

Annex I

List of countries where duty stations are classified in the H category

(Effective 1 January 2000)

Australia
Austria
Belgium
Canada
Denmark
Finland
France*
Germany
Greece
Italy
Japan
Netherlands
Norway
Portugal
Spain
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland
United States of America

* Including Monaco.

Annex II

List of duty stations classified in the A to E categories

(Effective **1 January 2004**, except where otherwise indicated)

Duty station	*Category*	*Additional education grant, travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Afghanistan			
Bamyan	E	X	X
Faizabad	E	X	X
Herat	E	X	X
Jalalabad	E	X	X
Kabul	E	X	X
Kandahar	E	X	X
Mazar-e-Sharif	E	X	X
Albania			
Durres	C	X	X
Kukes	C	X	X
Shkoder	C	X	X
Tirana	C	X	X
Vlore	C	X	X
Algeria			
Algiers	E	X	X
Angola			
Huambo[a]	D	X	X
Kuito Bie[a]	D	X	X
Lobito[b]	D	X	X
Luanda[a,b]	C		X
Lubango	D	X	X
Luena[a]	D	X	X
Malange	E	X	X
Menongue (Cuando Cubango)	E	X	X
N'dalatando	E	X	X
Saurimo (Lunda Sul Province)[a]	D	X	X
Sumbe (Cuanza Sul)	E	X	X
Sumbe (N'Gunza)	D	X	X
Uige	E	X	X
Argentina			
Buenos Aires	A		
Armenia			
Yerevan	D	X	X
Azerbaijan			
Baku[a]	B	X	

Duty station	*Category*	*Additional education grant, travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Bahamas			
Nassau	A	X	-
Bahrain			
Manama	B	-	-
Bangladesh			
Cox's Bazaar	D	X	X
Dhaka	C	-	X
Barbados			
Bridgetown	A	-	-
Belarus			
Minsk*	A	X	-
Belize			
Belize City*	B	X	-
Belmopan*	B	X	X
Benin			
Abomey	C	X	X
Cotonou	B	X	-
Parakou	D	X	X
Porto Novo	B	X	-
Bhutan			
Thimphu	D	X	X
Bolivia			
Cochabamba	B	-	-
La Paz	B	-	-
Bosnia and Herzegovina			
Banja Luka	A	X	X
Bihać	B	X	X
Bijeljina	A	X	X
Goradze	B	X	X
Livno	A	X	X
Mostar	A	X	X
Sarajevo	A	X	-
Travnik	A	X	X
Trebinje	A	X	X
Tuzla	A	X	-
Botswana			
Gaborone	A	-	-
Brazil			
Brasilia	A	-	-
Rio de Janeiro	A	-	-

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Bulgaria			
Sofia*	A	-	-
Burkina Faso			
Ouagadougou	B	-	-
Burundi			
Bujumbura	D	X	X
Cankuzo	C	X	X
Gitega	D	X	X
Ngozi	D	X	X
Cambodia			
Battambang	D	X	X
Phnom Penh	C	X	-
Pursat	E	X	X
Rattanakiri	E	X	X
Siem Reap	D	X	X
Sisophon	D	X	X
Cameroon			
Douala	B	X	-
Ngaoundéré	B	X	-
Yaoundé	B	X	-
Cape Verde			
Praia	C	X	X
Central African Republic			
Bangui	D	-	X
Bouar	E	X	X
Mbaïki	E	X	X
Chad			
N'Djamena	D	X	-
Chile			
Santiago	A	-	-
China			
Beijing	B	-	X
Colombia			
Apartado	C	X	X
Barrancabermeja	C	X	X
Barranquilla	B	X	-
Santa Fé de Bogotá	B	-	-
Cali	B	X	-
Cartagena	A	X	-
Medellin	B	-	-
Pasto	B	X	-

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Puerto Asis (Putumayo)	C	X	X
Comoros			
Moroni/Grande Comore	D	X	X
Congo			
Brazzaville	D	X	X
Pointe-Noire	B	X	-
Costa Rica			
Liberia	A	X	-
San José	A	-	-
Côte d'Ivoire			
Abidjan	C	X	-
Guiglo[a]	E	X	X
Tabou	E	X	X
Croatia			
Zagreb	A	X	-
Cuba			
Havana	B	X	X
Cyprus			
Nicosia	A	-	-
Czech Republic			
Prague	A	-	-
Democratic People's Republic of Korea			
Pyongyang	E	X	X
Democratic Republic of the Congo			
Bukavu	E	X	X
Goma	E	X	X
Kinshasa	C	X	X
Kisangani	E	X	X
Kisenge	E	X	X
Lubumbashi	D	X	X
Zongo	E	X	X
Djibouti			
Djibouti	C	-	-
Dominican Republic			
Santo Domingo	A	-	-
Ecuador			
Guayaquil[a]	A	-	-
Ibarra	A	X	-
Lago Agrio (Sucumbios)	B	X	X
Quito[a]	A	-	-

Duty station	Category	Additional education grant, travel and reimbursement of boarding costs	Additional shipment of personal effects
Egypt			
Cairo	A		
Ismailia	A	X	
El Salvador			
San Salvador	B		
Equatorial Guinea			
Acurenam	F	X	X
Malabo	D	X	X
Eritrea			
Asmara	C	X	X
Barentu	D	X	X
Dekemhare	C	X	X
Keren	C	X	X
Massawa	D	X	X
Teseney	E	X	X
Ethiopia			
Addis Ababa	C	X	X
Assosa	E	X	X
Dese	D	X	X
Dire Dawa	D	X	X
Gambella	E	X	X
Jijiga	E	X	X
Mekele	C	X	X
Mizan	E	X	X
Nazret	C	X	X
Fiji			
Suva	B	X	X
Gabon			
Franceville	D	X	X
Libreville	A		
Tchibanga	D	X	X
Gambia			
Banjul	C	X	X
Gaza			
Gaza Town	D	X	X
Georgia			
Akhaltsikhe	D	X	X
Tbilisi[a]	C	X	X
Ghana			
Accra	B	X	
Ho	C	X	X

Duty station	Category	*Additional education grant, travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Takoradi	C	X	X
Tamale	C	X	X
Guatemala			
Chiquimula[a]	B	X	–
Guatemala City	B	–	–
Solola[a]	B	X	–
Guinea			
Conakry[a]	C	X	
Dabola	E	X	X
Kissidougou	E	X	X
Nzerekore	D	X	X
Guinea-Bissau			
Bissau	E	X	X
Gabu	E	X	X
Guyana			
Georgetown	C		X
Haiti			
Cap Haitien	D	X	X
Port-au-Prince	D	–	–
Honduras			
Nacaome	E	X	X
San Pedro Sula	B	X	–
Santa Rosa de Copan	B	X	–
Tegucigalpa[a]	A	–	–
Hong Kong, China			
Hong Kong	A	–	–
Hungary			
Budapest	A	–	–
India			
Bhopal	D	X	X
Bhubaneswar	C	X	X
Bhuj	E	X	X
Calcutta	C	X	X
Chennai (Madras)	A	X	–
Hyderabad	B	–	X
Jaipur	B	X	X
Lucknow	C	X	X
Mumbai (Bombay)	A	–	–
New Delhi	B	–	–
Patna	C	X	X

Duty station	Category	Additional education grant travel and resettlement allowance, boarding costs	Additional allowance of personal effects
Indonesia			
Ambon (Maluku)	C	X	X
Banda Aceh	C	X	
Jakarta	B		
Jayapura (Irian Jaya)	D	X	X
Makassar	C	X	X
Semarang	B	X	
Surabaya	A	X	
Ternate	C	X	X
Toli-Toli	D	X	X
Iran (Islamic Republic of)			
Ahwaz	D	X	X
Kermanshah (Bakhtaran)	C	X	X
Mashad	D	X	X
Tehran	C	X	X
Zahedan	D	X	X
Iraq			
Arbil/Kirkuk	E	X	X
Baghdad	D	X	X
Dohuk	E	X	X
Mosul	E	X	X
Suleimaniyah	E	X	X
Israel			
Tiberias	A	X	
Jamaica			
Kingston	B		X
Port Antonio	A	X	
Jerusalem			
Jerusalem	C	X	
Jordan			
Amman	A		
Kazakhstan			
Almaty[a]	B	X	
Astana	C	X	X
Kenya			
Dadaab	E	X	X
Kakuma	E	X	X
Lokichokio	E	X	X
Nyanza	D	X	X
Mombasa	B		
Nairobi[a]	C		X

Duty station	Category	Additional education grant, travel and reimbursement of boarding costs	Additional shipment of personal effects
Kiribati			
Tarawa	D	X	X
Kuwait			
Kuwait City	B	-	-
Kyrgyzstan			
Bishkek*	C	X	X
Lao People's Democratic Republic			
Vientiane	C	X	X
Latvia			
Riga	A	X	-
Lebanon			
Bekaa Hauch*	B	X	X
Beirut*	A	-	-
Hermel	B	X	X
Naqoura*	B	X	X
Saida/Sidon*	B	X	X
Tyre (Sur)*	B	X	X
Lesotho			
Maseru	C	-	X
Mohale's Hoek	C	X	X
Qacha's Nek	D	X	X
Quthing	D	X	X
Thaba-Tseka	D	X	X
Liberia			
Monrovia	E	X	X
Voinjama	E	X	X
Libyan Arab Jamahiriya			
Sirte	C	X	X
Tripoli	B	X	X
Lithuania			
Vilnius	A	X	-
Macao, China			
Macao	A	X	-
Madagascar			
Antsiranana	E	X	X
Antsohihy	C	-	X
Antsirabe	C	X	X
Fianarantsoa	D	X	X
Mahajanga (Majunga)	B	X	-
Toliara (Fort Dauphin)	D	X	X
Toliara (Tulear)	C	X	X

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Malawi			
Blantyre	B	–	X
Lilongwe	B	–	X
Malaysia			
Kuala Lumpur	A	–	–
Maldives			
Malé	C	X	X
Mali			
Bamako	B	X	–
Bankass	E	X	X
Mopti	C	X	X
Segou	D	X	X
Tonka	E	X	X
Malta			
Valletta	A	–	–
Mauritania			
Nouakchott	C	X	X
Mauritius			
Port Louis	A	–	–
Mexico			
Mexico City	A	–	–
Tapachula, Chiapas	B	X	X
Mongolia			
Ulaanbaatar	E	X	X
Montserrat			
Montserrat	C	X	X
Morocco			
Casablanca	A	–	–
El Jadida	A	–	–
Rabat	A	–	–
Sertat	A	X	–
Tangiers	A	X	–
Mozambique			
Beira	D	X	X
Chimoio	E	X	X
Maputo	C	X	–
Nampula	C	X	X
Pemba	D	X	X
Tete	D	X	X
Xai-Xai	D	X	X

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Myanmar			
Hakha	E	X	X
Maungdaw	E	X	X
Mong Pawk	E	X	X
Myitkyina	E	X	X
Sittwe	D	X	X
Yangon (Rangoon)	C	X	X
Namibia			
Oshakati	C	X	X
Rundu	D	X	X
Windhoek	A	X	–
Nepal			
Jhapa	D	X	X
Kathmandu	C	X	X
Nicaragua			
Managua	B	–	–
Niger			
Maradi	D	X	X
Mayahi	D	X	X
Niamey	C	X	X
Nigeria			
Abuja	C	X	–
Bauchi	D	X	X
Enugu	D	X	X
Kaduna	D	X	X
Lagos	D	X	X
Oman			
Muscat	B	–	–
Pakistan			
Islamabad	B	X	–
Karachi	C	X	–
Lahore	B	X	–
Peshawar	D	X	X
Quetta	E	X	–
Rawalpindi	B	X	–
Panama			
Panama City	A	–	–
Yavisa[a]	D	X	X
Papua New Guinea			
Arawa	E	X	X
Port Moresby[a]	D	X	X

Duty station	*Category*	*Additional education grant, travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Paraguay			
Asunción	A	–	–
Peru			
Lima	B	–	–
Philippines			
Davao City	B	X	–
Manila	A	–	–
Poland			
Warsaw	A	–	–
Qatar			
Doha	B	X	–
Republic of Korea			
Seoul	A	–	–
Republic of Moldova			
Kishinev[a]	B	X	X
Romania			
Bucharest[a]	A	–	–
Russian Federation			
Moscow	A	–	–
Nazran	C	X	X
Vladikavkaz	D	X	X
Rwanda			
Byumba	C	X	X
Gisenyi	C	X	X
Kibuye	C	X	X
Kigali	C	X	X
Samoa			
Apia	C	X	X
Sao Tome and Principe			
Sao Tome	D	X	X
Saudi Arabia			
Jeddah[a]	B	X	–
Rafha[a]	C	X	X
Riyadh[a]	B	–	–
Senegal			
Dakar	A	–	–
Kedougou	C	X	X
Serbia and Montenegro			
Belgrade	A	X	–
Kraljevo[a]	A	X	–
Novi Sad[a]	A	X	–

Duty station	Category	Additional education grant, travel and reimbursement of boarding costs	Additional shipment of personal effects
Podgorica[a]	A	X	–
Pristina[a]	B	X	–
Seychelles			
Mahe/Port Victoria	A	–	–
Sierra Leone			
Bo	E	X	X
Freetown	E	X	X
Kailahun	E	X	X
Kenema	E	X	X
Koidu	E	X	X
Zimmi	E	X	X
Slovakia			
Bratislava[a]	A	–	–
Slovenia			
Ljubljana	A	X	–
Solomon Islands			
Honiara	D	X	X
Somalia			
Adalei	E	X	X
Hargeisa	E	X	X
South Africa			
Pretoria	A	–	–
Sri Lanka			
Batticaloa	E	X	X
Colombo	B	–	–
Jaffna	E	X	X
Kandy	B	X	–
Kilinochchi	E	X	X
Trincomalee	E	X	X
Vavuniya[a]	D	X	X
Sudan			
El Fasher	E	X	X
El Obeid	E	X	X
El Showak	E	X	X
Juba	E	X	X
Khartoum	D	–	–
Kosti	E	X	X
Port Sudan	D	X	–
Wau	E	X	X
Suriname			
Paramaribo[a]	B	X	–

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Swaziland			
Mbabane	A	X	-
Syrian Arab Republic			
Aleppo	B	X	X
Damascus[a]	B	X	X
Palmyra	C	X	X
Tajikistan			
Dushanbe	D	X	X
Thailand			
Ban Mae Sot	C	X	X
Bangkok	A	-	-
Kanchanaburi	A	X	-
Mae Hong Son	C	X	X
The former Yugoslav Republic of Macedonia			
Skopje[a]	A	X	-
Timor-Leste			
Baucau	D	X	X
Dili	D	X	X
Togo			
Lama Kara	C	X	X
Lome[a]	B	X	-
Tonga			
Nuku Alofa	B	X	X
Trinidad and Tobago			
Port-of-Spain	A	-	-
Tunisia			
Gafsa	A	-	-
Tunis	A	-	-
Turkey			
Ankara	A	-	-
Van	B	X	X
Turkmenistan			
Ashgabad	D	X	X
Uganda			
Adjumani	E	X	X
Arua[a]	D	X	X
Entebbe	C	X	X
Gulu	E	X	X
Kampala	C	X	X
Mbarara	D	X	X

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Ukraine			
Kiev*	A	X	-
Simferopol	C	X	X
United Arab Emirates			
Abu Dhabi*	B	-	-
Al-Ain	B	-	-
Dubai	B	-	-
United Republic of Tanzania			
Arusha	C	X	X
Dar es Salaam	C	X	X
Isaka	E	X	X
Kasulu	E	X	X
Kibondo	E	X	X
Kigoma	E	X	X
Mwanza	C	X	X
Ngara	E	X	X
Zanzibar	C	X	X
Uruguay			
Montevideo	A	-	-
Uzbekistan			
Tashkent	C	X	X
Vanuatu			
Vila (Porta Vila)	B	X	X
Venezuela			
Caracas	A	-	-
Guasdualito	C	X	X
Machiques	C	X	X
San Cristonal	B	X	-
Viet Nam			
Ha Tinh	D	X	X
Haiphong	D	X	X
Hanoi	B	-	X
Ho Chi Minh City	B	X	X
Quang Ninh	D	X	X
Tuyen Quang	D	X	X
West Bank			
East Jerusalem	C	X	-
Elsewhere in West Bank	C	X	X

Duty station	*Category*	*Additional education grant travel and reimbursement of boarding costs*	*Additional shipment of personal effects*
Yemen			
Aden	D	X	X
Sana'a	D	–	X
Socotra	E	X	X
Zambia			
Kaoma	E	X	X
Kawambwa	E	X	X
Livingstone	A	X	–
Lusaka	C	X	X
Mongu	E	X	X
Mporokoso	D	X	X
Solwezi	D	X	X
Zimbabwe			
Beitbridge	C	X	X
Bulawayo	B	X	–
Harare	B	–	X
Masvingo	B	X	X
Mutare	B	X	X

[a] Denotes change in entitlement from previous year.
[b] Transitional classification.

Annex III

Countries having duty stations that qualify for reimbursement by organizations of the costs of basic medical examinations for accompanying eligible family members, at 1 January 2004

Afghanistan
Albania
Algeria
Angola
Armenia
Azerbaijan
Bangladesh
Belize
Benin
Bhutan
Bolivia
Bosnia and Herzegovina
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African Republic
Chad
Comoros
Congo
Cuba
Democratic People's Republic of Korea
Democratic Republic of the Congo
Djibouti
Equatorial Guinea
Eritrea
Ethiopia
Gabon
Gambia
Georgia
Ghana
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Iraq
Kazakhstan
Kiribati
Kyrgyzstan
Lao People's Democratic Republic
Lesotho
Liberia
Libyan Arab Jamahiriya
Madagascar
Malawi
Maldives
Mali
Mariana Islands
Marshall Islands
Mauritania
Micronesia, Federated States of
Mongolia
Mozambique
Myanmar
Nepal
Nicaragua
Niger
Nigeria
Pakistan
Papua New Guinea
Republic of Moldova
Romania
Rwanda
Samoa
Sao Tome and Principe
Senegal
Serbia and Montenegro
Sierra Leone
Solomon Islands
Somalia
Sudan
Suriname
Tajikistan
The former Yugoslav Republic of Macedonia
Togo
Tokelau
Tonga
Turkmenistan
Tuvalu
Uganda
United Republic of Tanzania
Uzbekistan
Vanuatu
Viet Nam
Yemen
Zambia